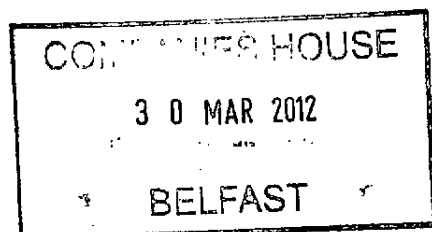


Company Registration No. NI37985 (Northern Ireland)

MURDOCK BUILDERS MERCHANTS LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2011



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MURDOCK BUILDERS MERCHANTS LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Auditors' report	3
Abbreviated profit and loss account	4
Abbreviated balance sheet	5
Notes to the cash flow statement	0
Notes to the abbreviated accounts	6 - 13

MURDOCK BUILDERS MERCHANTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and financial statements for the year ended 31 December 2011.

Principal activities and review of the business

The principal activity of the company during the year was that of a building suppliers, wholesalers and distributors.

The profit and loss is set out on page 5 and shows turnover of £35,951,087 (2010: £33,744,945) and an operating profit of £895,266 (2010: £772,262).

In 2011 the turnover of the core merchandising division increased by 6% and operating profit increased by 16%. The directors consider these results as satisfactory given the prevailing difficult trading conditions and they are happy that the group continues to outperform the sector in this regard.

The sector remains extremely competitive and the incoming year is expected to continue to be very challenging, however the directors are committed to long term creation of shareholder value by continuing to increase the company's market share through a combination of organic growth, including new branch openings and acquisitions. The directors are confident that further successful implementation of this growth strategy combined with improvements in buying, inventory management and overhead cost savings will provide the basis for a year of good progress. At the time of this report trading activity in 2012 is ahead of 2011 levels.

Results and dividends

The results for the year are set out on page 4.

Directors

The following directors have held office since 1 January 2011:

Ciaran Murdock
Kevin Murdock

Charitable donations	2011 £	2010 £
During the year the company made the following payments:		
Political donations to non EU parties and organisations	-	-
Charitable donations	5,267	6,153

Auditors

UHY Farrelly Dawe White Limited were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

MURDOCK BUILDERS MERCHANTS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

Statement of directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Ciaran Murdock

Director

14 March 2012

MURDOCK BUILDERS MERCHANTS LIMITED

INDEPENDENT AUDITORS' REPORT TO MURDOCK BUILDERS MERCHANTS LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 4 to 13, together with the financial statements of Murdock Builders Merchants Limited for the year ended 31 December 2011 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Chapter 10 of Part 15 of the Companies Act 2006. Our work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



Michael Bellew (Senior Statutory Auditor)
for and on behalf of UHY Farrelly Dawe White Limited

14 March 2012

Chartered Certified Accountants
Statutory Auditor

FDW House
Blackthorn Business Park
Coes Road
Dundalk
Co. Louth

MURDOCK BUILDERS MERCHANTS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Turnover		35,951,087	33,744,945
Other operating income less cost of sales		(25,925,633)	(23,850,627)
Administrative expenses		(9,130,188)	(9,122,056)
Operating profit	2	895,266	772,262
Profit on disposal of fixed assets		15,812	9,274
Profit on ordinary activities before interest		911,078	781,536
Interest payable and similar charges	3	(74,423)	(83,195)
Profit on ordinary activities before taxation		836,655	698,341
Tax on profit on ordinary activities	5	(75,586)	(39,150)
Profit for the year	13	761,069	659,191

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.


MURDOCK BUILDERS MERCHANTS LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	6		1,033,775		1,132,276
Current assets					
Stocks	7	3,102,479		3,839,685	
Debtors	8	7,603,005		6,105,030	
Cash at bank and in hand		1,540,551		14,989	
		<u>12,246,035</u>		<u>9,959,704</u>	
Creditors: amounts falling due within one year	9	<u>(8,495,470)</u>		<u>(7,106,197)</u>	
Net current assets			<u>3,750,565</u>		<u>2,853,507</u>
Total assets less current liabilities			<u>4,784,340</u>		<u>3,985,783</u>
Creditors: amounts falling due after more than one year	10		<u>(140,216)</u>		<u>(102,728)</u>
			<u>4,644,124</u>		<u>3,883,055</u>
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account	13		<u>4,644,024</u>		<u>3,882,955</u>
Shareholders' funds	14		<u>4,644,124</u>		<u>3,883,055</u>

These abbreviated accounts have been prepared in accordance with the special provisions in section 445(3) of the Companies Act 2006 relating to medium-sized companies.

Approved by the Board and authorised for issue on 14 March 2012


Ciaran Murdock
Director

Company Registration No. NI37985

MURDOCK BUILDERS MERCHANTS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

There is an unlimited cross company guarantee in place between the company and its fellow group undertaking Murdock Group Limited and parent company Murdock Group Holdings Limited in respect of borrowings with the group's bankers. The overall group has £2,455,164 net current assets (2010: £250,015) at the balance sheet date.

The group's main bankers are First Trust Bank and bank facilities are renewed on an annual basis, the next review date is 30 October 2012 which is less than 12 months from the date of approval of the financial statements. The bank has indicated that they expect to renew the facilities on similar terms in the near future.

The directors have considered the above circumstances and believe that it is appropriate to adopt the going concern basis in preparing the financial statements.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents sales to external customers at invoiced amounts exclusive of value added tax. Turnover is recognised when the risks and rewards of owning the goods has passed to the customer which is generally on delivery.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	5%- 20% straight line
Plant and machinery	12.5%-33.3% straight line
Fixtures, fittings & equipment	20%- 50% straight line
Motor vehicles	25%- 33% straight line

1.5 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Stock

Stock is valued at the lower of cost and net realisable value. Full provision has been made for damaged, deteriorated, obsolescent or unusable goods.

MURDOCK BUILDERS MERCHANTS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

(continued)

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences that have originated but not reversed by the balance sheet except that:

-deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and

-the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Operating profit

2011	2010
£	£

Operating profit is stated after charging:

Depreciation of tangible assets

459,718	501,723
---------	---------

3 Interest payable

2011	2010
£	£

On bank loans and overdrafts

Lease finance charges

27,500	25,875
--------	--------

46,923	57,320
--------	--------

74,423	83,195
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MURDOCK BUILDERS MERCHANTS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

4 Related party relationships and transactions

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

The following entities are considered to be related parties by virtue of common directors/control.

The related party transactions undertaken during the year are as follows:

During the year the company made sales of £1,897,116 (2010: £1,739,959) and purchases of £189,930 (2010: £131,831) to/from Murdock Distribution (Ireland) Limited. At the end of the year the company owed £Nil (2010: £241,717) to Murdock Distribution (Ireland) Limited.

The company rents premises from Carneyhaugh Properties Limited. Rent payable during the year amounted to £340,000 (2010: £414,200). The balance due to the company at the year end was £28,493 (2010: £Nil).

The company rents premises from Murdocks FURBS. Rent payable during the year amounted to £96,000 (2010: £96,000). The balance due to the company at the year end was £Nil (2010: £Nil).

The company rents premises from Clyduff Limited. Rent payable during the year amounted to £132,000 (2010: £132,000). The balance due to the company at the year end was £18,888 (2010: £Nil).

The company rents premises from Greenbank PUT. Rent payable during the year amounted to £363,892 (2010: £265,896). The balance owing at the year end was £9,633 (2010: £Nil).

The company rents premises from Dromore Investments Limited. Rent payable during the year amounted to £75,000 (2010: £Nil). The balance owing at the year end was £Nil (2010: £Nil).

MURDOCK BUILDERS MERCHANTS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

5	Taxation	2011 £	2010 £
	Domestic current year tax		
	U.K. corporation tax	75,586	40,007
	Adjustment for prior years	-	(857)
	Total current tax	75,586	39,150
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	836,655	698,341
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2010 - 28.00%)	234,263	195,535
	Effects of:		
	Non deductible expenses	3,439	12,262
	Capital allowances for the period in excess of depreciation	1,875	21,440
	Tax losses utilised	(159,692)	(189,254)
	Change in tax rate	(4,299)	-
	Adjustments to previous periods	-	(857)
	Other tax adjustments	-	24
		(158,677)	(156,385)
	Current tax charge for the year	75,586	39,150

MURDOCK BUILDERS MERCHANTS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

6 Tangible fixed assets

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2011	178,340	1,070,183	81,035	913,145	2,242,703
Additions	100,220	166,992	-	103,386	370,598
Disposals	-	(89,815)	-	(69,115)	(158,930)
At 31 December 2011	278,560	1,147,360	81,035	947,416	2,454,371
Depreciation					
At 1 January 2011	84,543	359,559	58,541	607,782	1,110,425
On disposals	-	(80,433)	-	(69,115)	(149,548)
Charge for the year	34,224	225,309	13,845	186,341	459,719
At 31 December 2011	118,767	504,435	72,386	725,008	1,420,596
Net book value					
At 31 December 2011	159,793	642,925	8,649	222,408	1,033,775
At 31 December 2010	93,797	710,622	22,494	305,363	1,132,276

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £
Net book values	
At 31 December 2011	726,875
At 31 December 2010	666,377
Depreciation charge for the year	
At 31 December 2011	331,520
At 31 December 2010	169,623

MURDOCK BUILDERS MERCHANTS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

7	Stocks	2011 £	2010 £
	Raw materials and consumables	647,162	376,031
	Finished goods and goods for resale	2,455,317	3,463,654
		<u>3,102,479</u>	<u>3,839,685</u>
8	Debtors	2011 £	2010 £
	Trade debtors	5,918,266	5,085,611
	Other debtors	684,822	251,179
	Prepayments and accrued income	999,917	768,240
		<u>7,603,005</u>	<u>6,105,030</u>
9	Creditors: amounts falling due within one year	2011 £	2010 £
	Bank loans and overdrafts	606,292	1,287,934
	Net obligations under finance leases	187,333	277,554
	Trade creditors	6,386,019	4,440,252
	Corporation tax	75,586	39,150
	Other taxes and social security costs	681,089	305,855
	Other creditors	-	241,717
	Accruals and deferred income	559,151	513,735
		<u>8,495,470</u>	<u>7,106,197</u>

First Trust Bank hold the following as security in respect of its borrowings:

- (i) Mortgage debenture incorporating a fixed and floating charge over all company assets present & future.
- (ii) Unlimited letter of guarantee one way from Murdock Group Holding Limited.
- (iii) Unlimited letter of cross composite guarantee structure from Murdock Group Limited, Newry Building Supplies Limited & Murdock Builders Merchants Limited.

MURDOCK BUILDERS MERCHANTS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

10 Creditors: amounts falling due after more than one year	2011	2010
	£	£
Net obligations under finance leases	140,216	102,728
Net obligations under finance leases		
Repayable within one year	187,333	277,554
Repayable between one and five years	140,216	102,728
	327,549	380,282
Included in liabilities falling due within one year	(187,333)	(277,554)
	140,216	102,728
11 Pension and other post-retirement benefit commitments	2011	2010
Defined contribution	£	£
Contributions payable by the company for the year	14,733	42,958
12 Share capital	2011	2010
	£	£
Authorised		
100,000 Ordinary shares of £1 each	100,000	1,000,000
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100
13 Statement of movements on profit and loss account		Profit and loss account
		£
Balance at 1 January 2011		3,882,955
Profit for the year		761,069
Balance at 31 December 2011		4,644,024

MURDOCK BUILDERS MERCHANTS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

14 Reconciliation of movements in shareholders' funds	2011 £	2010 £
Profit for the financial year	761,069	659,191
Opening shareholders' funds	3,883,055	3,223,864
Closing shareholders' funds	4,644,124	3,883,055

15 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2011 Number	2010 Number
Administrative staff	172	175
Management staff	16	15
	188	190

Employment costs

	2011 £	2010 £
Wages and salaries	5,014,176	5,013,904
Social security costs	563,646	541,013
Other pension costs	14,733	42,958
	5,592,555	5,597,875

16 Ultimate parent company

The ultimate parent company is Murdock Group Holdings Limited, a company registered in Northern Ireland.

Murdock Group Holdings Limited prepares group financial statements and copies can be obtained from Companies House, The Linenhall, 32-38 Linenhall Street, Belfast.