

MCDONALD & MUNRO LIMITED

**UNAUDITED FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2017

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MCDONALD & MUNRO LIMITED

COMPANY INFORMATION

Directors	Graham Morrison Christine Morrison Miguel Gomez
Secretary	Christine Morrison
Company number	SC109767
Registered office	4 Moycroft Industrial Estate ELGIN Moray IV30 1XZ
Accountants	Johnston Carmichael LLP Commerce House South Street ELGIN IV30 1JE

MCDONALD & MUNRO LIMITED

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MCDONALD & MUNRO LIMITED

BALANCE SHEET

AS AT 30 JUNE 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	3		356,387		372,598
Current assets					
Stocks		129,350		164,056	
Debtors	4	403,753		464,356	
Cash at bank and in hand		270,677		178,792	
		<u>803,780</u>		<u>807,204</u>	
Creditors: amounts falling due within one year	5	<u>(620,813)</u>		<u>(706,480)</u>	
Net current assets			182,967		100,724
Total assets less current liabilities			<u>539,354</u>		<u>473,322</u>
Provisions for liabilities					
Deferred tax liability		55,575		65,558	
		<u>(55,575)</u>		<u>(65,558)</u>	
Net assets			<u>483,779</u>		<u>407,764</u>
Capital and reserves					
Called up share capital	6	5,000		5,000	
Profit and loss reserves		478,779		402,764	
Total equity			<u>483,779</u>		<u>407,764</u>

MCDONALD & MUNRO LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2017

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

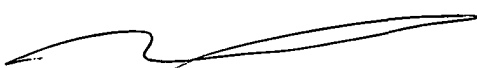
For the financial year ended 30 June 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 8.11.17 and are signed on its behalf by:


.....
Miguel Gomez
Director

Company Registration No. SC109767

MCDONALD & MUNRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

Company information

McDonald & Munro Limited is a private company limited by shares incorporated in Scotland. The registered office is 4 Moycroft Industrial Estate, ELGIN, Moray, IV30 1XZ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 June 2017 are the first financial statements of McDonald & Munro Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 July 2015.

Inline with section 28 of FRS 102 a holiday pay accrual has been recognised upon transition. This amounts to a increase in accruals of £26,475 in the comparative year and £22,880 in 2015 and accordingly decreasing reserves by the corresponding amount. The overall effect of this transition adjustment on the profit and loss account is £3,595.

1.2 Turnover

Turnover represents amounts receivable for electrical engineering and contract work, net of VAT.

1.3 Tangible fixed assets

Tangible fixed assets are initially and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	- Nil
Plant and machinery	- 15% reducing balance
Fixtures, fittings & equipment	- 15% reducing balance
Motor vehicles	- 25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

MCDONALD & MUNRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

MCDONALD & MUNRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 52 (2016 - 52).

MCDONALD & MUNRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 July 2016	25,890	714,964	740,854
Additions	105	88,308	88,413
Disposals	-	(94,472)	(94,472)
At 30 June 2017	25,995	708,800	734,795
Depreciation and impairment			
At 1 July 2016	-	368,256	368,256
Depreciation charged in the year	-	76,312	76,312
Eliminated in respect of disposals	-	(66,160)	(66,160)
At 30 June 2017	-	378,408	378,408
Carrying amount			
At 30 June 2017	25,995	330,392	356,387
At 30 June 2016	25,890	346,708	372,598

4 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	386,065	447,548
Other debtors	17,688	16,808
	403,753	464,356

5 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	1,152	119,673
Trade creditors	181,329	232,556
Corporation tax	61,097	57,520
Other taxation and social security	88,594	58,190
Other creditors	288,641	238,541
	620,813	706,480

MCDONALD & MUNRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

6 Called up share capital

	2017 £	2016 £
Ordinary share capital Issued and fully paid 5,000 ordinary shares of £1 each	5,000	5,000

7 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2017 £	2016 £
Within one year	33,150	33,150
Between two and five years	132,600	132,600
In over five years	1,955,850	1,989,000
	2,121,600	2,154,750

8 Related party transactions

At the year-end the company owed £147,594 (2016 - £207,765) to key management personnel. This balance is interest free and has no fixed terms of repayment.

9 Directors' transactions

Dividends totalling £180,000 (2016 - £120,000) were paid in the year in respect of shares held by the company's directors.