

REGISTRARS COPY

MORRIS & CO (HANDLERS) LIMITED

ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2004



Accountants and business advisors

MORRIS & CO (HANDLERS) LIMITED

Company Number: 1240380

ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2004

MORRIS & CO (HANDLERS) LIMITED

COMPANY INFORMATION

Directors	A E Morris A D Morris
Secretary	A E Morris
Company Number	1240380
Registered Office	Bankwood Lane Rossington Doncaster South Yorkshire DN11 0PS
Accountants	PKF Knowle House 4 Norfolk Park Road Sheffield S2 3QE
Solicitors	Frank Allen Pennington Doncaster
Bankers	Yorkshire Bank Plc Doncaster

MORRIS & CO (HANDLERS) LIMITED

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MORRIS & CO (HANDLERS) LIMITED
DIRECTORS' REPORT
YEAR ENDED 30 SEPTEMBER 2004

The directors submit their report and the financial statements for the year ended 30 September 2004.

Principal activity

The principal activity of the company during the year was the sale of salvaged and reclaimed materials.

Directors

The directors who served during the year and their interests in the company's issued share capital at the balance sheet date and at the start of the year (or date of appointment, if later) were:

	Ordinary Shares of £1 each	
	2004	2003
A E Morris	250	250
A D Morris	250	250

No rights to subscribe for shares in (or debentures of) the company have been granted to or exercised by the directors (or their spouses or infant children).

Basis of preparation

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board

12 April 2005



A E Morris
Secretary

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF
DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS OF
MORRIS & CO (HANDLERS) LIMITED LIMITED**

In accordance with the engagement letter dated 23 March 2005, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company for the year ended 30 September 2004 which comprise, the Profit and Loss Account, the Balance Sheet, and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet for the year ended 30 September 2004 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

PKF

PKF

Sheffield, UK

25 April 2005

MORRIS & CO (HANDLERS) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 SEPTEMBER 2004

	Notes	2004 £	2003 £
TURNOVER	2	2,198,609	1,115,472
Cost of sales		<u>(1,820,961)</u>	<u>(966,755)</u>
GROSS PROFIT		377,648	148,717
Administrative expenses		<u>(201,557)</u>	<u>(168,811)</u>
Other operating income		<u>35,150</u>	<u>23,890</u>
OPERATING PROFIT	3	211,241	3,796
Interest payable and similar charges		<u>(15,144)</u>	<u>(12,194)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		196,097	(8,398)
TAXATION	5	(36,881)	(47)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>159,216</u>	<u>(8,445)</u>

MORRIS & CO (HANDLERS) LIMITED
BALANCE SHEET
30 SEPTEMBER 2004

	Notes	2004 £	2003 £
FIXED ASSETS			
Tangible	6	679,732	555,007
CURRENT ASSETS			
Stocks		45,000	45,000
Debtors	7	105,251	94,176
Cash at bank and in hand		31,762	2,095
		<u>182,013</u>	<u>141,271</u>
CREDITORS: amounts falling due within one year	8	(255,690)	(210,637)
NET CURRENT LIABILITIES		<u>(73,677)</u>	<u>(69,366)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>606,055</u>	<u>485,641</u>
CREDITORS: amounts falling due after more than one year	9	(157,085)	(223,300)
PROVISIONS FOR LIABILITIES AND CHARGES	13	(27,413)	-
NET ASSETS		<u><u>421,557</u></u>	<u><u>262,341</u></u>
CAPITAL AND RESERVES			
Called up share capital	10	500	500
Profit and loss account	11	421,057	261,841
		<u><u>421,557</u></u>	<u><u>262,341</u></u>

The company is entitled to the exemption from audit conferred by subsection 1 of section 249A of the Companies Act 1985 and members have not required the company to obtain an audit of its accounts for the year in question in accordance with subsection (2) of section 249B.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226 and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

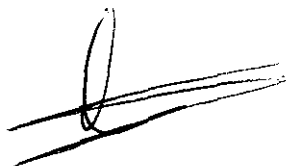
The financial statements have been prepared in accordance with the special provisions of Part VII of the Act relating to small companies.

The financial statements were approved by the board on 18/4/05

Signed on behalf of the board of directors

A.E. MORRIS

Director



MORRIS & CO (HANDLERS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2004

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

(b) Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

(c) Tangible fixed assets

Tangible fixed assets other than freehold land and investment properties are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant, machinery, fixtures, fittings and office equipment	15/25 % straight line
Motor vehicles	25 % straight line

Freehold land is not depreciated.

(d) Investment properties

Investment properties are included in the balance sheet at their open market value in accordance with the Financial Reporting Standard for Smaller Entities and are not depreciated. This treatment is contrary to the Companies Act 1985 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

(e) Finance leases and hire purchase

Assets acquired under finance leases or hire purchase are treated as tangible fixed assets and depreciation is provided accordingly. The present value of future rentals is shown as a liability and the interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the capital balance outstanding.

(f) Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis. Net realisable value is based on estimated selling price allowing for all further costs of disposal.

(g) Deferred taxation

Full provision is made for all deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the financial statements and their recognition in a tax computation.

(h) Pensions

The company operates a defined contribution pension scheme and the pension charge in the profit and loss account represents the amounts payable by the company to the fund in respect of the year.

MORRIS & CO (HANDLERS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2004

2 TURNOVER

All turnover arose within the United Kingdom.

3 OPERATING PROFIT

The operating profit is stated after charging:

	2004	2003
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	12,530	12,237
- held under finance lease or hire purchase contracts	46,141	33,769
Audit Fees	-	1,000
	<u> </u>	<u> </u>

4 DIRECTORS' EMOLUMENTS AND BENEFITS

No directors (2003 - none) were members of company pension schemes.

5 TAXATION

	2004	2003
	£	£
Current year taxation		
UK corporation tax	9,468	-
Adjustments in respect of previous periods	-	47
Total UK taxation	<u>9,468</u>	<u>47</u>
Deferred tax		
Origination and reversal of timing differences	27,413	-
	<u>36,881</u>	<u>47</u>

MORRIS & CO (HANDLERS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2004

6 TANGIBLE FIXED ASSETS

	Land & buildings £	Plant & machinery etc. £	Total £
Cost			
At 1 October 2003	232,559	475,798	708,357
Additions	108,960	74,436	183,396
At 30 September 2004	<u>341,519</u>	<u>550,234</u>	<u>891,753</u>
Depreciation			
At 1 October 2003	-	153,350	153,350
Charge for the year	-	58,671	58,671
At 30 September 2004	<u>-</u>	<u>212,021</u>	<u>212,021</u>
Net book amount			
At 30 September 2004	<u>341,519</u>	<u>338,213</u>	<u>679,732</u>
At 30 September 2003	<u>232,559</u>	<u>322,448</u>	<u>555,007</u>

The net book amounts of plant and machinery above include **£260,015** (2003 - £269,023) in respect of assets held under finance leases or hire purchase contracts.

The net book amount of land and buildings includes **£207,959** (2003 - £207,959) in respect of investment properties.

Investment properties have been valued by the directors on the open market basis..

The net book amount of land and buildings includes £108,960 (2003 - £nil) in respect of properties in the course of construction.

7 DEBTORS

	2004 £	2003 £
Trade debtors	73,937	42,341
Other debtors	31,314	51,835
	<u>105,251</u>	<u>94,176</u>

MORRIS & CO (HANDLERS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2004

8 CREDITORS:

Amounts falling due within one year

	2004	2003
	£	£
Bank loans and overdrafts	13,824	31,428
Trade creditors	108,602	65,142
Corporation tax	9,468	-
Other taxation and social security	29,233	37,043
Net obligations under finance lease and hire purchase contracts	89,078	69,766
Other creditors	5,485	7,258
	<u>255,690</u>	<u>210,637</u>

Bank loans and overdrafts are secured against business property.

Finance lease and hire purchase creditors are secured on the assets concerned.

9 CREDITORS:

Amounts falling due after more than one year

	2004	2003
	£	£
Bank loans	37,832	51,683
Net obligations under finance lease and hire purchase contracts	119,253	171,617
	<u>157,085</u>	<u>223,300</u>

Finance lease and hire purchase creditors are secured on the assets concerned.

10 SHARE CAPITAL

	Authorised	Allotted, called up and fully paid	
	£	No	£
At 1 October 2003 and 30 September 2004			
Ordinary shares of £1 each	1,000	500	500
	<u>1,000</u>	<u>500</u>	<u>500</u>

11 RESERVES

Profit and loss account	£
At 1 October 2003	261,841
Profit for the year	159,216
At 30 September 2004	<u>421,057</u>

MORRIS & CO (HANDLERS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2004

12 TRANSACTIONS WITH RELATED PARTIES

A E Morris has personally guaranteed borrowings of the company amounting to **£15,000** (2003 - £15,000).

A E Morris and A D Morris have jointly and severally guaranteed borrowings of the company amounting to £85,000 (2003 - £85,000)

Included within debtors is a loan of £31,314 (2003 - £35,678) to A E Morris Limited, a company in which A E Morris, a director of the company, is a major shareholder.

Sales to A E Morris Limited in the year amounted to £8,035 (2003 - £10,865) of which £7,200 is rent and £835 is haulage charges. The balance outstanding at the year end is £Nil (2003 - £2,423).

13 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £
Charged to profit and loss	27,413
At 30 September 2004	<u>27,413</u>

Deferred tax is analysed as follows:

	2004 £	2003 £
Capital allowances	27,413	37,025
Losses	-	(37,025)
	<u>27,413</u>	<u>-</u>