



Accountants &  
business advisers

## **MORRIS & CO (HANDLERS) LIMITED**

(Company Number 1240380)

### **ANNUAL REPORT**

**YEAR ENDED 30 SEPTEMBER 2011**

# **REGISTRARS COPY**

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## **MORRIS & CO (HANDLERS) LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	A E Morris S A Morris T E Morris
<b>Company secretary</b>	B A Morris
<b>Company number</b>	1240380
<b>Registered office</b>	Bankwood Lane Rossington Doncaster South Yorkshire DN11 0PS

## **MORRIS & CO (HANDLERS) LIMITED**

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**MORRIS & CO (HANDLERS) LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

The directors present their report and the financial statements for the year ended 30 September 2011

**Principal activities**

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 were

A E Morris  
S A Morris  
T E Morris

**Provision of information to auditor**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on **21 June 2012** and signed on its behalf

Secretary

  
**B A MORRIS**

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## **MORRIS & CO (HANDLERS) LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2011**

The directors are responsible for preparing the directors' report and 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting 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 are sufficient to show and explain the company's transactions, to disclose with reasonable accuracy at any time the financial position of the company and to 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.

## **MORRIS & CO (HANDLERS) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORRIS & CO (HANDLERS) LIMITED**

We have audited the financial statements of Morris & Co (Handlers) Limited for the year ended 30 September 2011 which comprise the profit and loss account, the balance sheet the statement of total recognised gains and losses , and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to smaller entities)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit 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 auditor's 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 audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006

#### **Other matter - comparative information**

Comparative information in these financial statements is derived from the financial statements for the previous accounting period, which have not been audited.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**MORRIS & CO (HANDLERS) LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORRIS & CO (HANDLERS) LIMITED**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report



**Edward Shepherd** (Senior statutory auditor)  
**PKF (UK) LLP**, Statutory auditor  
**Sheffield, UK**

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**MORRIS & CO (HANDLERS) LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

		2011	2010
	Note	£	(as restated) £
<b>TURNOVER</b>	1,2	<b>8,888,396</b>	6,416,043
Cost of sales		<b>(8,570,257)</b>	(6,142,092)
<b>GROSS PROFIT</b>		<b>318,139</b>	273,951
Administrative expenses		<b>(300,440)</b>	(238,625)
<b>OPERATING PROFIT</b>	3	<b>17,699</b>	35,326
Interest payable and similar charges		<b>(48,972)</b>	(62,738)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(31,273)</b>	(27,412)
Tax on loss on ordinary activities	4	<b>1,954</b>	6,267
<b>LOSS FOR THE FINANCIAL YEAR</b>	12	<b>(29,319)</b>	(21,145)

The notes on pages 8 to 15 form part of these financial statements



**MORRIS & CO (HANDLERS) LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

	Note	2011 £	As restated 2010 £
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b>(29,319)</b>	<b>(21,145)</b>
Unrealised surplus on revaluation of tangible fixed assets		<u><b>103,881</b></u>	<u>-</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>		<b>74,562</b>	<b>(21,145)</b>
Prior year adjustment	13	<u><b>51,248</b></u>	
<b>TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST FINANCIAL STATEMENTS</b>		<u><u><b>125,810</b></u></u>	

The notes on pages 8 to 15 form part of these financial statements

**MORRIS & CO (HANDLERS) LIMITED**  
**REGISTERED NUMBER: 1240380**

**BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2011**

			2010
	Note	£	(as restated) £
<b>FIXED ASSETS</b>			
Tangible assets	5	1,912,771	1,493,539
Investments	6	51	-
		<u>1,912,822</u>	<u>1,493,539</u>
<b>CURRENT ASSETS</b>			
Stocks		251,811	66,250
Debtors	7	1,130,030	515,577
Cash at bank		34,043	24,099
		<u>1,415,884</u>	<u>605,926</u>
<b>CREDITORS:</b> amounts falling due within one year	8	<u>(2,163,146)</u>	<u>(1,069,001)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(747,262)</u>	<u>(463,075)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,165,560</u>	<u>1,030,464</u>
<b>CREDITORS:</b> amounts falling due after more than one year	9	(782,159)	(719,671)
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred tax	10	(120,567)	(122,521)
<b>NET ASSETS</b>		<u>262,834</u>	<u>188,272</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	250	250
Revaluation reserve	12	113,207	13,881
Capital redemption reserve	12	250	250
Profit and loss account	12	149,127	173,891
<b>SHAREHOLDERS' FUNDS</b>		<u>262,834</u>	<u>188,272</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

21 June 2012

Director

 A.E. MORRIS

The notes on pages 8 to 15 form part of these financial statements

## **MORRIS & CO (HANDLERS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2011**

#### **1. ACCOUNTING POLICIES**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of static plant and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The Board are aware of the year end net current liabilities of the company and have taken steps to ensure the company has adequate financial resource to continue trading over the next twelve months. Consequently the directors are confident that the financial statements are properly prepared on a going concern basis

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group

##### **1.2 Turnover**

Turnover comprises revenue recognised by the company in respect of goods supplied during the year, exclusive of Value Added Tax and trade discounts

##### **1.3 Investments**

Investments held as fixed assets are shown at cost less provision for impairment

##### **1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation less depreciation. All assets are stated at cost except static plant which is stated at depreciated replacement cost. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases

Plant & machinery	-	10% straight line
Motor vehicles	-	25% straight line
Fixtures & fittings	-	25% straight line
Static plant and machinery	-	5% straight line
Buildings	-	4% straight line

##### **1.5 Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs only

## MORRIS & CO (HANDLERS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2011

#### 1. ACCOUNTING POLICIES (continued)

##### 1.7 Deferred taxation

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

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

##### 1.8 Pensions

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

#### 2. TURNOVER

90 3% of turnover arose within the United Kingdom

#### 3. OPERATING PROFIT

The operating profit is stated after charging

	2011 £	2010 £
Depreciation of tangible fixed assets		
- owned by the company	96,744	106,839
- held under finance leases	75,896	46,419
Auditor's remuneration	3,000	-
Directors' emoluments	76,517	50,000
Pension costs	6,550	7,200

**MORRIS & CO (HANDLERS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

**4. TAXATION**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b>		
UK corporation tax charge/(credit) on loss for the year	-	(2,390)
<b>Deferred tax (see note 10)</b>		
Origination and reversal of timing differences	<b>(1,954)</b>	<b>(3,877)</b>
<b>Tax on loss on ordinary activities</b>	<b>(1,954)</b>	<b>(6,267)</b>

**MORRIS & CO (HANDLERS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

**5. TANGIBLE FIXED ASSETS**

	Land and buildings £	Other fixed assets £	Total £
<b>Cost or valuation</b>			
At 1 October 2010 (as restated)	591,195	1,607,430	2,198,625
Additions	9,373	541,903	551,276
Disposals	-	(106,656)	(106,656)
Revaluation surplus/(deficit)	-	103,881	103,881
At 30 September 2011	<u>600,568</u>	<u>2,146,558</u>	<u>2,747,126</u>
<b>Depreciation</b>			
At 1 October 2010 (as restated)	49,267	655,819	705,086
Charge for the year	12,987	159,653	172,640
On disposals	-	(43,371)	(43,371)
At 30 September 2011	<u>62,254</u>	<u>772,101</u>	<u>834,355</u>
<b>Net book value</b>			
At 30 September 2011	<u>538,314</u>	<u>1,374,457</u>	<u>1,912,771</u>
At 30 September 2010	<u>541,928</u>	<u>951,611</u>	<u>1,493,539</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2011 £	2010 £
Plant and machinery	597,386	387,459
Motor vehicles	49,213	-
	<u>646,599</u>	<u>387,459</u>

Included in land and buildings is freehold land at cost of **£264,224** (2010 - £264,224) which is not depreciated

The Directors have restated static plant in the accounts at "Depreciated Replacement Cost" (Previously stated at cost)

If the plant and machinery had not been included at valuation they would have been included under the historical cost convention as follows

	2011 £	2010 £
Cost	2,027,083	1,591,836
Accumulated depreciation	(764,713)	(654,677)
Net book value	<u>1,262,370</u>	<u>937,159</u>

**MORRIS & CO (HANDLERS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

**6. FIXED ASSET INVESTMENTS**

	<b>Investments in subsidiary companies £</b>
<b>Cost</b>	
Additions	<b>51</b>
At 30 September 2011	<b>51</b>

**Subsidiary undertakings**

The following were subsidiary undertakings of the company

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>
Morris Metal Limited	Ordinary	51 %

The aggregate of the share capital and reserves as at 30 September 2011 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

<b>Name</b>	<b>Aggregate of share capital and reserves £</b>	<b>Profit/(loss) £</b>
Morris Metal Limited	<b>(10,662)</b>	<b>(10,762)</b>

**7. DEBTORS**

	<b>2011 £</b>	<b>2010 £</b>
Trade debtors	<b>933,459</b>	448,184
Amounts owed by group undertakings	<b>30,000</b>	-
Other debtors	<b>166,571</b>	67,393
	<b>1,130,030</b>	515,577

**MORRIS & CO (HANDLERS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

**8. CREDITORS:  
Amounts falling due within one year**

	2011 £	2010 £
Bank loans and overdrafts	487,183	327,823
Net obligations under finance leases and hire purchase contracts	172,429	133,901
Trade creditors	1,153,161	370,848
Social security and other taxes	145,933	155,470
Other creditors	204,440	80,959
	<u>2,163,146</u>	<u>1,069,001</u>

**9. CREDITORS:  
Amounts falling due after more than one year**

	2011 £	2010 £
Bank loans	575,277	610,190
Net obligations under finance leases and hire purchase contracts	206,882	109,481
	<u>782,159</u>	<u>719,671</u>

Creditors include amounts not wholly repayable within 5 years as follows

	2011 £	2010 £
Bank loans	<u>345,716</u>	<u>403,962</u>

Bank loans and overdrafts are secured against the business property and additionally there is a charge over the other assets of the company

Bank loans are repaid by monthly installments. A variable rate of interest is charged on the loan

Finance leases and hire purchase creditors are secured on the assets concerned



# MORRIS & CO (HANDLERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2011

### 10. DEFERRED TAXATION

	2011 £	2010 (as restated) £
At beginning of year	122,521	126,398
Released during year	(1,954)	(3,877)
At end of year	<u>120,567</u>	<u>122,521</u>

The provision for deferred taxation is made up as follows

	2011 £	2010 £
Accelerated capital allowances	<u>120,567</u>	<u>122,521</u>

### 11. SHARE CAPITAL

	2011 £	2010 £
<b>Authorised</b>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>		
250 Ordinary shares of £1 each	<u>250</u>	<u>250</u>

### 12. RESERVES

	Capital redempt'n reserve £	Revaluation reserve (as restated) £	Profit and loss account £
At 1 October 2010 (Revaluation reserve as restated)	250	13,881	122,643
Prior year adjustment (note 13)			51,248
At 1 October 2010 (as restated)			<u>173,891</u>
Loss for the year			(29,319)
Surplus on revaluation of other fixed assets		103,881	
Transfer between Revaluation reserve and P/L account		(4,555)	4,555
At 30 September 2011	<u>250</u>	<u>113,207</u>	<u>149,127</u>

### 13. PRIOR YEAR ADJUSTMENT

The prior year adjustment arose as a result of a change in accounting policy. The company's static plant is now stated at "Depreciated Replacement Cost" (previously stated at historical cost). This increased the value of fixed assets £13,881 of the increase created a "Revaluation Reserve" (Being the increase in the Depreciated Replacement Cost). Other reserves increased by £51,248 as a result of the lower annual depreciation charge in prior years for static plant (5% as opposed to 10%).

## **MORRIS & CO (HANDLERS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2011**

#### **14. CONTINGENT LIABILITIES**

The company holds an unlimited cross corporate guarantee with Morris Metal Limited, which is a 51% subsidiary. As at 30 September 2011, the net liabilities of Morris Metal Limited were **£10,662**.

#### **15. PENSION COMMITMENTS**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to **£6,550** (2010 - £7,200).

#### **16. RELATED PARTY TRANSACTIONS**

A E Morris, a director, has personally guaranteed borrowings of the company amounting to **£300,000** (2010 - £300,000).

Sales to Morris Metal Limited, a 51% owned subsidiary of Morris & Co (Handlers) Limited, during the year amounted to **£18,246**. Included in debtors at the year end is a balance outstanding of **£30,000**.

Purchases from A E Morris Limited, a company in which A E Morris is a director, in the year amounted to **£480** (2010 - £Nil). Included in debtors at the year end is a balance outstanding of **£74,472** (2010 - £64,472).

Purchases from AEM Lifting Limited, a company in which A E Morris is a director, in the year amounted to **£Nil** (2010 - £425). Included in creditors at the year end is a balance outstanding of **£66,100** (2010 - £61,100).

Creditors include **£8,134** (2010 - £8,134) due to A E Morris and **£51,609** (2010 - £65,333) due to his wife Mrs B Morris.

#### **17. ULTIMATE CONTROLLING PARTY**

The company is controlled by A E Morris.