



MORRIS & CO (HANDLERS) LIMITED

(Company Number 1240380)

ANNUAL REPORT

PERIOD ENDED 1 OCTOBER 2012

REGISTRARS COPY



MORRIS & CO (HANDLERS) LIMITED

COMPANY INFORMATION

Directors	A E Morris S A Morris T E Morris
Company secretary	B A Morris
Company number	1240380
Registered office	Bankwood Lane Rossington Doncaster South Yorkshire DN11 0PS
Auditor	BDO LLP Fountain Precinct Balm Green Sheffield S1 2JA

MORRIS & CO (HANDLERS) LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Directors' responsibilities statement	3
Independent auditor's report	4 - 5
Consolidated profit and loss account	6
Consolidated statement of total recognised gains and losses	7
Consolidated balance sheet	8
Company balance sheet	9
Consolidated cash flow statement	10
Notes to the financial statements	11 - 27

MORRIS & CO (HANDLERS) LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 1 OCTOBER 2012

The directors present their report and the financial statements for the period ended 1 October 2012. The directors have extended the period of accounts by one day in order for its subsidiary company, Morris Metal Limited, to be eligible for exemption from statutory audit under the provisions of section 479A of the Companies Act 2006.

Principal activities

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

Business review

The group employed 21 people (2011: 17) producing a turnover of **£10,744,287** (2011: £9,167,470). The turnover shows an increase of 17.2% compared with the previous year.

The capital and reserves at the end of the year amounted to **£340,464**.

The directors consider the level of activity and year end position to be satisfactory.

Results

The profit for the period, after taxation, amounted to £116,843 (2011: loss £40,082).

Directors

The directors who served during the period were:

A E Morris
S A Morris
T E Morris

Principal risks and uncertainties

Within the commercial activities the main risk facing the group are the fluctuations in scrap metal prices.

Future developments

The directors constantly review opportunities to improve profitability and performance but have no specific plans at this time.

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 and the group'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 and the group's auditor in connection with preparing its report and to establish that the company and the group's auditor is aware of that information.

MORRIS & CO (HANDLERS) LIMITED

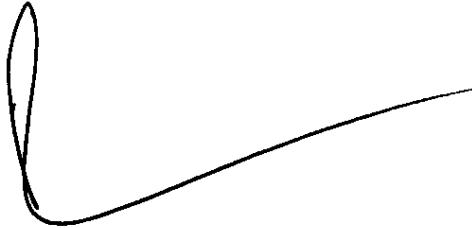
**DIRECTORS' REPORT
FOR THE PERIOD ENDED 1 OCTOBER 2012**

Auditor

PKF (UK) LLP have merged their business into BDO LLP and accordingly have signed their auditor's report in the name of the merged firm. A resolution to appoint BDO LLP as auditors of the company will be put to the Annual General Meeting.

This report was approved by the board on 17 June 2013 and signed on its behalf

B A Morris
Secretary

A handwritten signature in black ink, consisting of a large, stylized 'B' followed by a long, sweeping horizontal line that curves upwards at the end.

MORRIS & CO (HANDLERS) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 period ended 1 October 2012 which comprise the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated and parent company balance sheets, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 1 October 2012 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial period 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

BDO ul

Craig Burton (Senior statutory auditor)
for and on behalf of **BDO LLP**, Statutory auditor
Sheffield, UK

19 June 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

MORRIS & CO (HANDLERS) LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 1 OCTOBER 2012**

		Period ended 1 October 2012 £	Year ended 30 September 2011 £
	Note		
TURNOVER	1,2	10,744,287	9,167,470
Cost of sales		(9,920,753)	(8,811,389)
		<hr/>	<hr/>
GROSS PROFIT		823,534	356,081
Administrative expenses		(569,041)	(349,037)
		<hr/>	<hr/>
OPERATING PROFIT	3	254,493	7,044
Interest payable and similar charges	6	(81,282)	(49,080)
		<hr/>	<hr/>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		173,211	(42,036)
Tax on profit/(loss) on ordinary activities	7	(56,368)	1,954
		<hr/>	<hr/>
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD	16	116,843	(40,082)
		<hr/>	<hr/>

All amounts relate to continuing operations

The notes on pages 11 to 27 form part of these financial statements

MORRIS & CO (HANDLERS) LIMITED

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE PERIOD ENDED 1 OCTOBER 2012**

	Period ended 1 October 2012 £	Year ended 30 September 2011 £
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD	116,843	(40,082)
Unrealised surplus on revaluation of tangible fixed assets	-	103,881
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE PERIOD	116,843	63,799

The notes on pages 11 to 27 form part of these financial statements

MORRIS & CO (HANDLERS) LIMITED
REGISTERED NUMBER 1240380

CONSOLIDATED BALANCE SHEET
AS AT 1 OCTOBER 2012


			1 October 2012 £	30 September 2011 £
	Note	£		
FIXED ASSETS				
Tangible assets	8		2,181,653	1,912,771
CURRENT ASSETS				
Stocks	10	477,219		270,506
Debtors	11	2,282,367		1,104,019
Cash at bank		141,061		112,864
		<u>2,900,647</u>		<u>1,487,389</u>
CREDITORS amounts falling due within one year	12	(3,729,748)		(2,245,313)
NET CURRENT LIABILITIES			(829,101)	(757,924)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,352,552</u>	<u>1,154,847</u>
CREDITORS: amounts falling due after more than one year	13		(860,668)	(782,159)
PROVISIONS FOR LIABILITIES				
Deferred tax	14		(151,420)	(120,567)
NET ASSETS			<u>340,464</u>	<u>252,121</u>
CAPITAL AND RESERVES				
Called up share capital	15		250	250
Revaluation reserve	16		94,271	113,207
Capital redemption reserve	16		250	250
Profit and loss account	16		245,693	138,414
SHAREHOLDERS' FUNDS	17		<u>340,464</u>	<u>252,121</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
17 June 2013.

A E Morris
Director



T E Morris
Director



The notes on pages 11 to 27 form part of these financial statements

MORRIS & CO (HANDLERS) LIMITED
REGISTERED NUMBER. 1240380

COMPANY BALANCE SHEET
AS AT 1 OCTOBER 2012

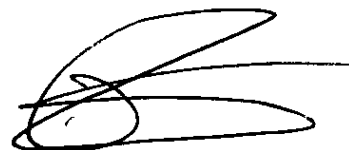
	Note	£	1 October 2012 £	30 September 2011 £
FIXED ASSETS				
Tangible assets	8		2,181,653	1,912,771
Investments	9		51	51
			<u>2,181,704</u>	<u>1,912,822</u>
CURRENT ASSETS				
Stocks	10	398,771		251,811
Debtors	11	2,193,647		1,130,030
Cash at bank		140,723		34,043
		<u>2,733,141</u>		<u>1,415,884</u>
CREDITORS: amounts falling due within one year	12	(3,559,282)	(2,163,146)	
NET CURRENT LIABILITIES			<u>(826,141)</u>	<u>(747,262)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,355,563</u>	<u>1,165,560</u>
CREDITORS amounts falling due after more than one year	13		(860,668)	(782,159)
PROVISIONS FOR LIABILITIES				
Deferred tax	14		(151,420)	(120,567)
NET ASSETS			<u>343,475</u>	<u>262,834</u>
CAPITAL AND RESERVES				
Called up share capital	15		250	250
Revaluation reserve	16		94,271	113,207
Capital redemption reserve	16		250	250
Profit and loss account	16		248,704	149,127
SHAREHOLDERS' FUNDS	17		<u>343,475</u>	<u>262,834</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
17 June 2013.

A E Morris
Director



T E Morris
Director



The notes on pages 11 to 27 form part of these financial statements

MORRIS & CO (HANDLERS) LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 1 OCTOBER 2012**

		Period ended 1 October 2012 £	Year ended 30 September 2011 £
	Note		
Net cash flow from operating activities	19	(440,289)	53,968
Returns on investments and servicing of finance	20	(81,282)	(49,080)
Capital expenditure and financial investment	20	(23,137)	(103,825)
Acquisitions and disposals	20	-	(51)
Equity dividends paid		(28,500)	-
CASH OUTFLOW BEFORE FINANCING		(573,208)	(98,988)
Financing	20	966,850	66,852
INCREASE/(DECREASE) IN CASH IN THE PERIOD		393,642	(32,136)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE PERIOD ENDED 1 OCTOBER 2012**

	Period ended 1 October 2012 £	Year ended 30 September 2011 £
Increase/(Decrease) in cash in the period	393,642	(32,136)
Cash inflow from increase in debt and lease financing	(966,850)	(66,852)
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	(573,208)	(98,988)
Other non-cash changes	(419,496)	(406,350)
MOVEMENT IN NET DEBT IN THE PERIOD	(992,704)	(505,338)
Net debt at 1 October 2011	(1,776,649)	(1,271,311)
NET DEBT AT 1 OCTOBER 2012	(2,769,353)	(1,776,649)

The notes on pages 11 to 27 form part of these financial statements

MORRIS & CO (HANDLERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 OCTOBER 2012

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 machinery and in accordance with applicable accounting standards

1.2 Going concern

The directors are aware of the year end net current liabilities of the group and company and have taken steps to ensure the group 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

1.3 Basis of consolidation

The financial statements consolidate the accounts of Morris & Co (Handlers) Limited and all of its subsidiary undertakings ('subsidiaries')

The subsidiary, Morris Metal Limited, is exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of section 479A of the Act

1.4 Turnover

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

Turnover is recognised when goods are dispatched

1.5 Tangible fixed assets and depreciation

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

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

1.6 Investments

Investments in subsidiaries are valued at cost less provision for impairment

1.7 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

MORRIS & CO (HANDLERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 OCTOBER 2012

1. ACCOUNTING POLICIES (continued)

1.8 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term

1.9 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

1.10 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

1.11 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

1.12 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 period

MORRIS & CO (HANDLERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 OCTOBER 2012

2 TURNOVER

The whole of the turnover is attributable to the sale of scrap metal

A geographical analysis of turnover is as follows

	Period ended 1 October 2012 £	Year ended 30 September 2011 £
United Kingdom	10,657,192	8,053,017
Rest of European Union	87,095	-
Rest of world	-	1,114,453
	<u>10,744,287</u>	<u>9,167,470</u>

3. OPERATING PROFIT

The operating profit is stated after charging

	Period ended 1 October 2012 £	Year ended 30 September 2011 £
Depreciation of tangible fixed assets		
- owned by the group	121,104	108,882
- held under finance leases	92,116	63,758
Auditor's remuneration	4,500	4,500
Difference on foreign exchange	1,162	712
	<u></u>	<u></u>

Auditor's fees for the company were £4,500 (2011 - £3,000)

MORRIS & CO (HANDLERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 OCTOBER 2012

4 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	Period ended 1 October 2012 £	Year ended 30 September 2011 £
Wages and salaries	473,387	356,838
Social security costs	49,141	34,737
Other pension costs	6,600	6,550
	<u>529,128</u>	<u>398,125</u>

The average monthly number of employees, including the directors, during the period was as follows

	Period ended 1 October 2012 No.	Year ended 30 September 2011 No
Administration	2	2
Processing	19	15
	<u>21</u>	<u>17</u>

5. DIRECTORS' REMUNERATION

	Period ended 1 October 2012 £	Year ended 30 September 2011 £
Emoluments	<u>116,200</u>	<u>76,517</u>
Company pension contributions to defined contribution pension schemes	<u>4,800</u>	<u>4,800</u>

During the period retirement benefits were accruing to 2 directors (2011 - 2) in respect of defined contribution pension schemes

6. INTEREST PAYABLE

	Period ended 1 October 2012 £	Year ended 30 September 2011 £
On bank loans and overdrafts	50,095	44,002
On finance leases and hire purchase contracts	31,187	5,078
	<u>81,282</u>	<u>49,080</u>

MORRIS & CO (HANDLERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 OCTOBER 2012

7. TAXATION

	Period ended 1 October 2012 £	Year ended 30 September 2011 £
Analysis of tax charge in the period/year		
Current tax (see note below)		
UK corporation tax charge on profit/loss for the period/year	25,515	-
Deferred tax (see note 14)		
Origination and reversal of timing differences	30,853	(1,954)
Tax on profit/loss on ordinary activities	<u>56,368</u>	<u>(1,954)</u>

Factors affecting tax charge for the period/year

The tax assessed for the period/year is lower than (2011 - higher than) the standard rate of corporation tax in the UK of 20% (2011 - 20%) The differences are explained below

	Period ended 1 October 2012 £	Year ended 30 September 2011 £
Profit/(loss) on ordinary activities before tax	<u>173,211</u>	<u>(42,036)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2011 - 20%)	34,642	(8,407)
Effects of:		
Expenses not deductible for tax purposes	3,047	1,155
Capital allowances for period/year in excess of depreciation	(7,437)	7,252
Marginal relief	(4,737)	-
Current tax charge for the period/year (see note above)	<u>25,515</u>	<u>-</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges

MORRIS & CO (HANDLERS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 OCTOBER 2012**

8. TANGIBLE FIXED ASSETS

Group	Freehold property £	Static plant & machinery £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation						
At 1 October 2011	600,568	540,895	1,474,715	122,311	8,637	2,747,126
Additions	75,509	211,369	289,203	2,995	2,607	581,683
Disposals	-	-	(158,467)	(12,995)	-	(171,462)
At 1 October 2012	<u>676,077</u>	<u>752,264</u>	<u>1,605,451</u>	<u>112,311</u>	<u>11,244</u>	<u>3,157,347</u>
Depreciation						
At 1 October 2011	62,254	53,255	651,120	59,089	8,637	834,355
Charge for the period	13,683	37,410	132,830	28,958	339	213,220
On disposals	-	-	(58,886)	(12,995)	-	(71,881)
At 1 October 2012	<u>75,937</u>	<u>90,665</u>	<u>725,064</u>	<u>75,052</u>	<u>8,976</u>	<u>975,694</u>
Net book value						
At 1 October 2012	<u>600,140</u>	<u>661,599</u>	<u>880,387</u>	<u>37,259</u>	<u>2,268</u>	<u>2,181,653</u>
At 30 September 2011	<u>538,314</u>	<u>487,640</u>	<u>823,595</u>	<u>63,222</u>	<u>-</u>	<u>1,912,771</u>

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

Group	1 October 2012 £	30 September 2011 £
Plant and machinery	495,951	283,950
Motor vehicles	28,228	50,588
Static plant and machinery	436,821	260,878
	<u>961,000</u>	<u>595,416</u>

Included in land and buildings is freehold land at cost of **£330,724** (2011 £264,224) which is not depreciated

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

Group	1 October 2012 £	30 September 2011 £
Cost	611,349	412,244
Accumulated depreciation	(79,973)	(61,499)
Net book value	<u>531,376</u>	<u>350,745</u>

MORRIS & CO (HANDLERS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 OCTOBER 2012**

Company	Freehold property £	Static plant & machinery £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation						
At 1 October 2011	600,568	540,895	1,474,715	122,311	8,637	2,747,126
Additions	75,509	211,369	289,203	2,995	2,607	581,683
Disposals	-	-	(158,467)	(12,995)	-	(171,462)
At 1 October 2012	<u>676,077</u>	<u>752,264</u>	<u>1,605,451</u>	<u>112,311</u>	<u>11,244</u>	<u>3,157,347</u>
Depreciation						
At 1 October 2011	62,254	53,255	651,120	59,089	8,637	834,355
Charge for the period	13,683	37,410	132,830	28,958	339	213,220
On disposals	-	-	(58,886)	(12,995)	-	(71,881)
At 1 October 2012	<u>75,937</u>	<u>90,665</u>	<u>725,064</u>	<u>75,052</u>	<u>8,976</u>	<u>975,694</u>
Net book value						
At 1 October 2012	<u>600,140</u>	<u>661,599</u>	<u>880,387</u>	<u>37,259</u>	<u>2,268</u>	<u>2,181,653</u>
At 30 September 2011	<u>538,314</u>	<u>487,640</u>	<u>823,595</u>	<u>63,222</u>	<u>-</u>	<u>1,912,771</u>

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

Company	1 October 2012 £	30 September 2011 £
Plant and machinery	495,951	283,950
Motor vehicles	28,228	50,588
Static plant and machinery	436,821	260,878
	<u>961,000</u>	<u>595,416</u>

MORRIS & CO (HANDLERS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 OCTOBER 2012**

8. TANGIBLE FIXED ASSETS (continued)

Included in land and buildings is freehold land at cost of **£330,724** (2011 £264,224) which is not depreciated

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

	1 October 2012 £	30 September 2011 £
Company		
Cost	611,349	412,244
Accumulated depreciation	(79,973)	(61,499)
Net book value	<u>531,376</u>	<u>350,745</u>

9. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Company	
Cost	
At 1 October 2011 and 1 October 2012	<u>51</u>

Details of the principal subsidiaries can be found under note number 29

10. STOCKS

	Group		Company	
	1 October 2012 £	30 September 2011 £	1 October 2012 £	30 September 2011 £
Raw materials	<u>477,219</u>	<u>270,506</u>	<u>398,771</u>	<u>251,811</u>

MORRIS & CO (HANDLERS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 OCTOBER 2012**

11. DEBTORS

	Group		Company	
	1 October 2012	30 September 2011	1 October 2012	30 September 2011
	£	£	£	£
Trade debtors	1,880,489	937,448	1,862,390	933,459
Amounts owed by group undertakings	-	-	-	30,000
Other debtors	103,977	78,256	97,527	78,256
Prepayments and accrued income	297,901	88,315	233,730	88,315
	2,282,367	1,104,019	2,193,647	1,130,030

12 CREDITORS:

Amounts falling due within one year

	Group		Company	
	1 October 2012	30 September 2011	1 October 2012	30 September 2011
	£	£	£	£
Bank loans and overdrafts	117,712	487,183	79,691	487,183
Other loans	137,500	-	137,500	-
Net obligations under finance leases and hire purchase contracts	189,212	172,429	189,212	172,429
Trade creditors	2,682,315	1,199,918	2,601,715	1,153,161
Amounts owed to group undertakings	-	-	31,250	-
Corporation tax	25,515	-	25,515	-
Social security and other taxes	129,763	148,844	129,763	145,933
Other creditors	235,334	155,846	205,334	125,847
Accruals	212,397	81,093	159,302	78,593
	3,729,748	2,245,313	3,559,282	2,163,146

Other loans are repaid by monthly instalments. A fixed rate of 6% interest per annum is charged on this loan. This is due to be repaid by September 2013. Security over other loans is provided by personal guarantees from the directors, amounting to the balance outstanding of **£137,500** (2011: £Nil).

Included within trade creditors is **£1,605,322** (2011: £447,742) relating to an invoice discounting facility. Security over which is provided by first legal charge over the factored sales ledger balances, a floating charge over the assets of the company, plus personal guarantees from the directors amounting to £400,000.

MORRIS & CO (HANDLERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 OCTOBER 2012

13. CREDITORS

Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	1 October 2012	30 September 2011	1 October 2012	30 September 2011
	£	£	£	£
Bank loans	538,875	575,277	538,875	575,277
Net obligations under finance leases and hire purchase contracts	321,793	206,882	321,793	206,882
	860,668	782,159	860,668	782,159

Creditors include amounts not wholly repayable within 5 years as follows

	<u>Group</u>		<u>Company</u>	
	1 October 2012	30 September 2011	1 October 2012	30 September 2011
	£	£	£	£
Repayable by instalments	284,495	345,716	284,495	345,716

Bank loans and overdrafts are secured against the business property and additionally there is a charge over the other assets of the company. Further security over the bank loans and overdrafts is provided by personal guarantees from the directors amounting to £600,000.

Bank loans are repaid by monthly instalments.

The balance outstanding on term loan A is **£562,359** (2011 £610,199). A fixed rate of 5.8% interest per annum is charged on this loan. This was due to be repaid by October 2021.

The balance outstanding on term loan B is **£12,980** (£21,100). A variable rate of interest, currently 4.5% per annum is charged on this loan. This was due to be repaid by March 2014.

The balance outstanding on term loan C is **£6,028** (2011 £27,781). A variable rate of interest, currently 4.5% per annum is charged on this loan. This was due to be repaid by February 2013.

The balance outstanding on term loan D is **£37,199** (2011 £Nil). A variable rate of interest, currently 4.5% per annum is charged on this loan. This was due to be repaid by February 2015.

These bank loans were consolidated post balance sheet date by way of a 60 month £575,000 term loan at a variable interest rate of LIBOR plus margin of 3.25%, as well as an overdraft facility with a limit of £400,000.

The post balance sheet bank loan is repayable by monthly installments and is due to be repaid in full by November 2017.

The directors have given a guarantee to the bank in respect of the post balance sheet facility of £400,000.

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

MORRIS & CO (HANDLERS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 OCTOBER 2012**

**13. CREDITORS:
Amounts falling due after more than one year (continued)**

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	Group		Company	
	1 October 2012 £	30 September 2011 £	1 October 2012 £	30 September 2011 £
Between one and five years	321,793	206,882	321,793	206,882

MORRIS & CO (HANDLERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 OCTOBER 2012

14. DEFERRED TAXATION

	Group		Company	
	1 October 2012	30 September 2011	1 October 2012	30 September 2011
	£	£	£	£
At beginning of period/year	120,567	122,521	120,567	122,521
Charge for/(released during) the period	30,853	(1,954)	30,853	(1,954)
At end of period/year	151,420	120,567	151,420	120,567

The provision for deferred taxation is made up as follows

	Group		Company	
	1 October 2012	30 September 2011	1 October 2012	30 September 2011
	£	£	£	£
Accelerated capital allowances	151,420	120,567	151,420	120,567

15. SHARE CAPITAL

	1 October 2012	30 September 2011
	£	£
Allotted, called up and fully paid		
250 Ordinary shares of £1 each	250	250

16. RESERVES

Group	Capital redempt'n reserve £	Revaluation reserve £	Profit and loss account £
At 1 October 2011	250	113,207	138,414
Profit for the period			116,843
Dividends Equity capital			(28,500)
Transfer between Revaluation reserve and P/L account		(18,936)	18,936
At 1 October 2012	250	94,271	245,693

The directors have made a provision in the group profit and loss account against the minority interest share of net liabilities in Morris Metal Limited. At balance sheet date, this provision totalled **£1,450** (2011 **£5,273**). As a consequence, the minority interest share of group net assets at balance sheet date is **£Nil** (2011 **£Nil**).

MORRIS & CO (HANDLERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 OCTOBER 2012

16. RESERVES (continued)

Company	Capital redempt'n reserve £	Revaluation reserve £	Profit and loss account £
At 1 October 2011	250	113,207	149,127
Profit for the period			109,141
Dividends Equity capital			(28,500)
Transfer between Revaluation reserve and P/L account		(18,936)	18,936
At 1 October 2012	<u>250</u>	<u>94,271</u>	<u>248,704</u>

17 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Group	1 October 2012 £	30 September 2011 £
Opening shareholders' funds	252,121	188,322
Profit/(loss) for the period/year	116,843	(40,082)
Dividends (Note 18)	(28,500)	-
Other recognised gains and losses during the period/year	-	103,881
Closing shareholders' funds	<u>340,464</u>	<u>252,121</u>

Company	1 October 2012 £	30 September 2011 £
Opening shareholders' funds	262,834	188,273
Profit/(loss) for the period/year	109,141	(29,320)
Dividends (Note 18)	(28,500)	-
Other recognised gains and losses during the period/year	-	103,881
Closing shareholders' funds	<u>343,475</u>	<u>262,834</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account

The retained profit/(loss) for the period/year dealt with in the accounts of the company was £109,141 profit (2011 £29,319 loss)

18. DIVIDENDS

	Period ended 1 October 2012 £	Year ended 30 September 2011 £
Dividends paid on equity capital	<u>28,500</u>	<u>-</u>

MORRIS & CO (HANDLERS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 OCTOBER 2012**

19 NET CASH FLOW FROM OPERATING ACTIVITIES

	Period ended 1 October 2012 £	Year ended 30 September 2011 £
Operating profit	254,493	7,044
Depreciation of tangible fixed assets	213,220	172,640
Profit on disposal of tangible fixed assets	(39,469)	22,285
Increase in stocks	(206,713)	(204,256)
Increase in debtors	(1,178,348)	(588,442)
Increase in creditors	516,528	644,697
Net cash (outflow)/inflow from operating activities	(440,289)	53,968

20 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	Period ended 1 October 2012 £	Year ended 30 September 2011 £
Returns on investments and servicing of finance		
Interest paid	(50,095)	(44,002)
Hire purchase interest	(31,187)	(5,078)
Net cash outflow from returns on investments and servicing of finance	(81,282)	(49,080)
	Period ended 1 October 2012 £	Year ended 30 September 2011 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(162,187)	(144,825)
Sale of tangible fixed assets	139,050	41,000
Net cash outflow from capital expenditure	(23,137)	(103,825)
	Period ended 1 October 2012 £	Year ended 30 September 2011 £
Acquisitions and disposals		
Purchase of fixed asset investments	-	(51)

MORRIS & CO (HANDLERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 OCTOBER 2012

20 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	Period ended 1 October 2012 £	Year ended 30 September 2011 £
Financing		
New secured loans	195,500	55,400
Repayment of secured loans	(98,428)	(51,854)
Repayment of finance leases	(287,802)	(270,421)
Movements on invoice discounting	1,157,580	333,727
Net cash inflow from financing	966,850	66,852

21. ANALYSIS OF CHANGES IN NET DEBT

	1 October 2011 £	Cash flow £	Other non-cash changes £	1 October 2012 £
Cash at bank and in hand	112,864	28,197	-	141,061
Bank overdraft	(403,466)	365,445	-	(38,021)
	(290,602)	393,642	-	103,040
Hire purchase and finance leases	(379,311)	287,802	(419,496)	(511,005)
Debts due within one year	(83,717)	83,717	(217,191)	(217,191)
Invoice discounting	(447,742)	(1,157,580)	-	(1,605,322)
Debts falling due after more than one year	(575,277)	(180,789)	217,191	(538,875)
Net debt	(1,776,649)	(573,208)	(419,496)	(2,769,353)

22. MAJOR NON-CASH TRANSACTIONS

During the year the company entered into hire purchase and finance lease arrangements in respect of assets with a total capital value at the inception of the leases of **£419,496** (2011 £406,350)

23. CONTINGENT LIABILITIES

The parent company has provided a guarantee under section 479C of the Companies Act 2006 for all outstanding liabilities to which Morris Metal Limited, the subsidiary company, is subject at the period end. As at 1 October 2012, Morris Metal Limited had gross liabilities of **£201,716**

24 PENSION COMMITMENTS

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to **£6,600** (2011 £6,550). Contributions totalling **£Nil** (2011 Nil) were payable to the fund at the balance sheet date and are included in creditors.

MORRIS & CO (HANDLERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 OCTOBER 2012

25. OPERATING LEASE COMMITMENTS

At 1 October 2012 the Group had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	1 October 2012	30 September 2011
	£	£
Group		
Expiry date.		
Between 2 and 5 years	<u>35,000</u>	<u>-</u>

At 1 October 2012 the Company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	1 October 2012	30 September 2011
	£	£
Company		
Expiry date		
Between 2 and 5 years	<u>35,000</u>	<u>-</u>

26. DIRECTORS' BENEFITS: ADVANCES, CREDIT AND GUARANTEES

A E Morris, S A Morris and T E Morris, the directors, have personally guaranteed borrowings of the company amounting to **£600,000** (2011 £300,000)

27. RELATED PARTY TRANSACTIONS

Sales to Morris Metal Limited, a 51% owned subsidiary of Morris & Co (Handlers) Limited, during the year amounted to **£85,579** (2011 £18,246) Included in creditors (2011 debtors) at the year end is a balance outstanding of **£33,215** (2011 £30,000)

Purchases from A E Morris Limited, a company in which A E Morris is a director, in the year amounted to **£Nil** (2011 £480) Included in debtors at the year end is a balance outstanding of **£76,471** (2011 £74,472)

Purchases from AEM Lifting Limited, a company in which A E Morris is a director, in the year amounted to **£Nil** (2011 £Nil) Included in creditors at the year end is a balance outstanding of **£56,100** (2011 £66,100)

Creditors include **£Nil** (2011 £8,134) due to A E Morris and **£24,234** (2011 £51,609) due to his wife Mrs B Morris

Creditors also include **£125,000** (2011 £Nil) due to S A Morris, a director

Dividends totalling **£28,500** (2011 £Nil) were paid to directors in the year - **£9,500** (2011 £Nil) to A E Morris, **£9,500** (2011 £Nil) to S A Morris, and **£9,500** (2011 £Nil) to T E Morris

28. CONTROLLING PARTY

The company is controlled by A E Morris

MORRIS & CO (HANDLERS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 OCTOBER 2012**

29 PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
Morris Metal Ltd	United Kingdom	51	Processing of aluminium from waste product