



MORRIS & CO (HANDLERS) LIMITED

(Company Number 1240380)

ANNUAL REPORT

YEAR ENDED 1 OCTOBER 2013

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MORRIS & CO (HANDLERS) LIMITED

COMPANY INFORMATION

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

MORRIS & CO (HANDLERS) LIMITED

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MORRIS & CO (HANDLERS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 1 OCTOBER 2013

The directors present their report and the financial statements for the year ended 1 October 2013

Principal activities

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

Business review

A review of the business is included in the strategic report on page 3

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £305,886 (2012 - £116,843)

Dividends amounting to **£202,410** were paid during the year

Directors

The directors who served during the year were

A E Morris
S A Morris
T E Morris

Future developments

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

Financial instruments

The group utilise an invoice discounting facility to improve the cash flow from debtors

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 YEAR ENDED 1 OCTOBER 2013**

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on

18/03/14

and signed on its behalf

B A Morris
Secretary

A handwritten signature in black ink, appearing to be 'B A Morris', written over a horizontal line.

MORRIS & CO (HANDLERS) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 1 OCTOBER 2013

Introduction

The purpose of this report is to inform members of the company and help them assess how the directors have performed their duty to promote the success of the company

Business review

In the year to 1 October 2013 the group have increased turnover and increased profitability compared to the prior period. The group employed 20 people (2012 21) producing a turnover of **£11,154,388** (2012 £10,744,287). The turnover shows an increase of 3.6% compared with the previous year.

The capital and reserves at the end of the year amounted to **£838,815** (2012 £340,464).

The company's subsidiary Morris Metal Limited has also had a successful year being profitable for the first time since incorporation and with positive reserves.

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

During the year the group revalued its freehold properties on an existing use basis.

Principal risks and uncertainties

Within the commercial activities the main risk facing the group are the fluctuations in scrap metal prices, credit and liquidity risk.

This report was approved by the board on

18/03/14

and signed on its behalf

T E Morris
Director



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 the group and of the profit or loss of the company and the group 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group 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 the group 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 1 October 2013 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 2013 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

MORRIS & CO (HANDLERS) LIMITED

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

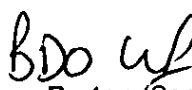
Opinion on other matter prescribed by the Companies Act 2006

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

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 to give a true and fair view of the state of the group's and the parent company's affairs as at 1 October 2013 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


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

1 April 2014

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 YEAR ENDED 1 OCTOBER 2013**

	Note	1 October 2013 £	Period ended 1 October 2012 £
TURNOVER	1,2	11,154,388	10,744,287
Cost of sales		(10,129,378)	(9,920,753)
GROSS PROFIT		1,025,010	823,534
Administrative expenses		(582,425)	(569,041)
OPERATING PROFIT	3	442,585	254,493
Interest payable and similar charges	6	(59,984)	(81,282)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		382,601	173,211
Tax on profit on ordinary activities	7	(65,552)	(56,368)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		317,049	116,843
Minority interests		(11,163)	-
PROFIT FOR THE FINANCIAL YEAR	16	305,886	116,843

All amounts relate to continuing operations

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents

The notes on pages 12 to 28 form part of these financial statements

MORRIS & CO (HANDLERS) LIMITED

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 1 OCTOBER 2013**

	1 October 2013 £	Period ended 1 October 2012 £
PROFIT FOR THE FINANCIAL YEAR	305,886	116,843
Unrealised surplus on revaluation of tangible fixed assets	383,712	-
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	689,598	116,843

The notes on pages 12 to 28 form part of these financial statements

MORRIS & CO (HANDLERS) LIMITED
REGISTERED NUMBER: 1240380

CONSOLIDATED BALANCE SHEET
AS AT 1 OCTOBER 2013

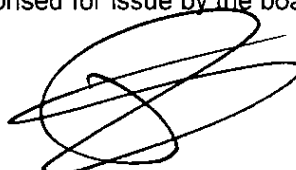
	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	8		2,548,478		2,181,653
CURRENT ASSETS					
Stocks	10	671,475		477,219	
Debtors	11	3,497,196		2,282,367	
Cash at bank		11,491		141,061	
		<u>4,180,162</u>		<u>2,900,647</u>	
CREDITORS amounts falling due within one year	12	(5,029,977)		(3,729,748)	
NET CURRENT LIABILITIES			<u>(849,815)</u>		<u>(829,101)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,698,663</u>		<u>1,352,552</u>
CREDITORS amounts falling due after more than one year	13		(701,751)		(860,668)
PROVISIONS FOR LIABILITIES					
Deferred tax	14		(158,097)		(151,420)
NET ASSETS			<u>838,815</u>		<u>340,464</u>
CAPITAL AND RESERVES					
Called up share capital	15		250		250
Revaluation reserve	16		507,401		94,271
Capital redemption reserve	16		250		250
Profit and loss account	16		319,751		245,693
SHAREHOLDERS' FUNDS	17		<u>827,652</u>		<u>340,464</u>
MINORITY INTERESTS	19		11,163		-
			<u>838,815</u>		<u>340,464</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 March 2014.

A E Morris
 Director



T E Morris
 Director



The notes on pages 12 to 28 form part of these financial statements

MORRIS & CO (HANDLERS) LIMITED
REGISTERED NUMBER 1240380

PARENT COMPANY BALANCE SHEET
AS AT 1 OCTOBER 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	8		2,548,478		2,181,653
Investments	9		51		51
			<u>2,548,529</u>		<u>2,181,704</u>
CURRENT ASSETS					
Stocks	10	508,422		398,771	
Debtors	11	3,502,773		2,193,647	
Cash at bank		4,475		140,723	
		<u>4,015,670</u>		<u>2,733,141</u>	
CREDITORS amounts falling due within one year	12	(4,888,267)		(3,559,282)	
NET CURRENT LIABILITIES			<u>(872,597)</u>		<u>(826,141)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,675,932</u>		<u>1,355,563</u>
CREDITORS amounts falling due after more than one year	13		(701,751)		(860,668)
PROVISIONS FOR LIABILITIES					
Deferred tax	14		(158,097)		(151,420)
NET ASSETS			<u>816,084</u>		<u>343,475</u>
CAPITAL AND RESERVES					
Called up share capital	15		250		250
Revaluation reserve	16		507,401		94,271
Capital redemption reserve	16		250		250
Profit and loss account	16		308,183		248,704
SHAREHOLDERS' FUNDS	17		<u>816,084</u>		<u>343,475</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 March 2014.

A E Morris
Director

A E Morris
Director

The notes on pages 12 to 28 form part of these financial statements

MORRIS & CO (HANDLERS) LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 1 OCTOBER 2013**

		1 October 2013 £	Period ended 1 October 2012 £
	Note		
Net cash flow from operating activities	20	(451,888)	(440,289)
Returns on investments and servicing of finance	21	(59,984)	(81,282)
Taxation		(25,515)	-
Capital expenditure and financial investment	21	(60,437)	(23,137)
Equity dividends paid		(202,410)	(28,500)
CASH OUTFLOW BEFORE FINANCING		(800,234)	(573,208)
Financing	21	340,273	966,850
(DECREASE)/INCREASE IN CASH IN THE YEAR		(459,961)	393,642

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 1 OCTOBER 2013**

	1 October 2013 £	Period ended 1 October 2012 £
(Decrease)/Increase in cash in the year	(459,961)	393,642
Cash inflow from increase in debt and lease financing	(340,273)	(966,850)
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	(800,234)	(573,208)
New finance lease	(110,266)	(419,486)
MOVEMENT IN NET DEBT IN THE YEAR	(910,500)	(992,694)
Net debt at 2 October 2012	(2,769,353)	(1,776,659)
NET DEBT AT 1 OCTOBER 2013	(3,679,853)	(2,769,353)

The notes on pages 12 to 28 form part of these financial statements

MORRIS & CO (HANDLERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 OCTOBER 2013

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 land and buildings and 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. The directors have produced forecasts which show that the company can continue to operate within its financial resources for 12 months from the date of this report. 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.

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 year, 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 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:

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 YEAR ENDED 1 OCTOBER 2013

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 year

MORRIS & CO (HANDLERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 OCTOBER 2013

2. TURNOVER

The whole of the turnover is attributable to the sale of salvaged and reclaimed materials

A geographical analysis of turnover is as follows

	1 October 2013 £	Period ended 1 October 2012 £
United Kingdom	11,154,388	10,657,192
Rest of European Union	-	87,095
	<u>11,154,388</u>	<u>10,744,287</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	1 October 2013 £	Period ended 1 October 2012 £
Depreciation of tangible fixed assets		
- owned by the group	123,537	121,104
- held under finance leases	103,687	92,116
Auditor's remuneration	4,500	4,500
Difference on foreign exchange	2,874	1,162
	<u>234,600</u>	<u>319,922</u>

Auditor's fees for the company were £4,500 (2012 - £4,500)

MORRIS & CO (HANDLERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 OCTOBER 2013

4 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	1 October 2013 £	Period ended 1 October 2012 £
Wages and salaries	357,712	473,387
Social security costs	30,675	49,141
Other pension costs	6,600	6,600
	<u>394,987</u>	<u>529,128</u>

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

	1 October 2013 No	Period ended 1 October 2012 No
Administration	4	2
Processing	16	19
	<u>20</u>	<u>21</u>

5. DIRECTORS' REMUNERATION

	1 October 2013 £	Period ended 1 October 2012 £
Remuneration	16,000	116,200
Company pension contributions to defined contribution pension schemes	4,800	4,800

During the year retirement benefits were accruing to 2 directors (2012 - 2) in respect of defined contribution pension schemes

6. INTEREST PAYABLE

	1 October 2013 £	Period ended 1 October 2012 £
On bank loans and overdrafts	33,294	50,095
On finance leases and hire purchase contracts	26,690	31,187
	<u>59,984</u>	<u>81,282</u>

MORRIS & CO (HANDLERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 OCTOBER 2013

7. TAXATION

	1 October 2013 £	Period ended 1 October 2012 £
Analysis of tax charge in the year/period		
Current tax (see note below)		
UK corporation tax charge on profit for the year/period	58,875	25,515
Deferred tax (see note 14)		
Origination and reversal of timing differences	6,677	30,853
Tax on profit on ordinary activities	65,552	56,368

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2012 - lower than) the standard rate of corporation tax in the UK of 23% (2012 - 20%) The differences are explained below

	1 October 2013 £	Period ended 1 October 2012 £
Profit on ordinary activities before tax	382,601	173,211
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2012 - 20%)	87,998	34,642
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	5,891	3,047
Capital allowances for year/period in excess of depreciation	(36,032)	(7,437)
Utilisation of tax losses	(704)	-
Changes in provisions leading to an increase (decrease) in the tax charge	2,760	-
Other differences leading to an increase (decrease) in the tax charge	(912)	-
Marginal relief	(126)	(4,737)
Current tax charge for the year/period (see note above)	58,875	25,515

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 YEAR ENDED 1 OCTOBER 2013**

8. TANGIBLE FIXED ASSETS

Group	Freehold property £	Static plant & machinery £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation						
At 2 October 2012	676,077	752,264	1,605,451	112,311	11,244	3,157,347
Additions	-	-	75,992	120,705	30,506	227,203
Disposals	-	-	(68,469)	(21,500)	(1,394)	(91,363)
Revaluation surplus/(deficit)	293,923	-	-	-	-	293,923
At 1 October 2013	970,000	752,264	1,612,974	211,516	40,356	3,587,110
Depreciation						
At 2 October 2012	75,937	90,665	725,064	75,052	8,976	975,694
Charge for the year	13,852	37,716	145,158	26,407	4,091	227,224
On disposals	-	-	(54,696)	(18,407)	(1,394)	(74,497)
On revalued assets	(89,789)	-	-	-	-	(89,789)
At 1 October 2013	-	128,381	815,526	83,052	11,673	1,038,632
Net book value						
At 1 October 2013	970,000	623,883	797,448	128,464	28,683	2,548,478
At 1 October 2012	600,140	661,599	880,387	37,259	2,268	2,181,653

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

Group	2013 £	2012 £
Plant and machinery	428,572	495,951
Motor vehicles	86,703	28,228
Static plant and machinery	413,758	436,821
	<u>929,033</u>	<u>961,000</u>

Included in land and buildings is freehold land at cost of **£330,724** (2012 £330,724) which is not depreciated

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

Group	2013 £	2012 £
Cost	676,087	676,087
Accumulated depreciation	(89,799)	(75,937)
Net book value	<u>586,288</u>	<u>600,150</u>

MORRIS & CO (HANDLERS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 1 OCTOBER 2013**

8. TANGIBLE FIXED ASSETS (continued)

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

Group	2013 £	2012 £
Cost	611,349	611,349
Accumulated depreciation	(98,447)	(79,973)
Net book value	512,902	531,376

Company	Freehold property £	Static plant & machinery £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation						
At 2 October 2012	676,077	752,264	1,605,451	112,311	11,244	3,157,347
Additions	-	-	75,992	120,705	30,506	227,203
Disposals	-	-	(68,469)	(21,500)	(1,394)	(91,363)
Revaluation surplus/(deficit)	293,923	-	-	-	-	293,923
At 1 October 2013	970,000	752,264	1,612,974	211,516	40,356	3,587,110
Depreciation						
At 2 October 2012	75,937	90,665	725,064	75,052	8,976	975,694
Charge for the year	13,852	37,716	145,158	26,407	4,091	227,224
On disposals	-	-	(54,696)	(18,407)	(1,394)	(74,497)
On revalued assets	(89,789)	-	-	-	-	(89,789)
At 1 October 2013	-	128,381	815,526	83,052	11,673	1,038,632
Net book value						
At 1 October 2013	970,000	623,883	797,448	128,464	28,683	2,548,478
At 1 October 2012	600,140	661,599	880,387	37,259	2,268	2,181,653

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

Company	2013 £	2012 £
Plant and machinery	428,572	495,951
Motor vehicles	86,703	28,228
Static plant and machinery	413,758	436,821
	929,033	961,000

Included in land and buildings is freehold land at cost of **£330,724** (2012 £330,274) which is not depreciated

MORRIS & CO (HANDLERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 OCTOBER 2013

8. TANGIBLE FIXED ASSETS (continued)

The land and buildings were revalued on 16th December 2013 as it is the directors' belief that this provides a true and fair view of their value. Properties to the value of £885,000 were valued by Grice & Hunter (Chartered Surveyors) on an open market existing use basis. A further property to the value of £85,000 was valued by the directors.

The directors do not believe there was any material change in value from the year end to the valuation date.

No material potential deferred taxation has arisen as a result of the revaluation.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

Company	2013 £	2012 £
Cost	676,077	676,077
Accumulated depreciation	(89,789)	(75,937)
Net book value	<u>586,288</u>	<u>600,140</u>

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

Company	2013 £	2012 £
Cost	623,613	623,613
Accumulated depreciation	(123,419)	(92,327)
Net book value	<u>500,194</u>	<u>531,286</u>

9. FIXED ASSET INVESTMENTS

Company	Investments in subsidiary companies £
Cost	
At 2 October 2012 and 1 October 2013	<u>51</u>

Details of the principal subsidiaries can be found under note number 30.

MORRIS & CO (HANDLERS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 1 OCTOBER 2013**

10. STOCKS

	<u>Group</u>		<u>Company</u>	
	2013 £	2012 £	2013 £	2012 £
Goods held for resale	671,475	477,219	508,422	398,771

11. DEBTORS

	<u>Group</u>		<u>Company</u>	
	2013 £	2012 £	2013 £	2012 £
Trade debtors	3,375,559	1,880,489	3,355,133	1,862,390
Amounts owed by group undertakings	-	-	35,526	-
Other debtors	62,738	103,977	53,700	97,527
Prepayments and accrued income	58,899	297,901	58,414	233,730
	3,497,196	2,282,367	3,502,773	2,193,647

12 CREDITORS

Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2013 £	2012 £	2013 £	2012 £
Bank loans and overdrafts	406,748	117,712	406,748	79,691
Other loans	-	137,500	-	137,500
Net obligations under finance leases and hire purchase contracts	207,683	189,212	207,683	189,212
Trade creditors	3,908,640	2,682,315	3,809,455	2,601,715
Amounts owed to group undertakings	-	-	-	31,250
Corporation tax	58,875	25,515	52,795	25,515
Other taxation and social security	92,084	129,763	92,084	129,763
Other creditors	168,115	235,334	138,114	205,334
Accruals	187,832	212,397	181,388	159,302
	5,029,977	3,729,748	4,888,267	3,559,282

Other loans are repaid by monthly instalments. A fixed rate of 6% interest per annum was charged on this loan. Security over other loans is provided by personal guarantees from the directors, amounting to the balance outstanding of **£Nil** (2012: £137,500).

Included within trade creditors is **£2,375,162** (2012: £1,605,322) relating to an invoice discounting facility. Security over which is provided by an all asset debenture, plus personal guarantees from the directors amounting to £300,000 and a guarantee from A E Morris Limited.

MORRIS & CO (HANDLERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 OCTOBER 2013

13 CREDITORS:

Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	2013	2012	2013	2012
	£	£	£	£
Bank loans	517,496	538,875	517,496	538,875
Net obligations under finance leases and hire purchase contracts	184,255	321,793	184,255	321,793
	<u>701,751</u>	<u>860,668</u>	<u>701,751</u>	<u>860,668</u>

Creditors include amounts not wholly repayable within 5 years as follows

	<u>Group</u>		<u>Company</u>	
	2013	2012	2013	2012
	£	£	£	£
Repayable by instalments	-	284,495	-	284,495

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 **£400,000**.

The bank loan comprises a 60 month £575,000 term loan at a variable interest rate of LIBOR plus margin of 3.25%.

The amount outstanding on the loan at the year end is **£555,832** of which **£38,336** is due in less than twelve months.

This bank loan is repayable by quarterly 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 overdraft facility of £400,000.

The prior year loans were repaid during the year. The balance outstanding on these loans at the end of the prior year was £618,566 comprising:

Term loan A £562,359. A fixed rate of 5.8% interest per annum was charged on this loan. This was due to be repaid by October 2021.

Term loan B £12,980. A variable rate of interest, then at 4.5% per annum was charged on this loan. This was due to be repaid by March 2014.

Term loan C £6,028. A variable rate of interest, then at 4.5% per annum was charged on this loan. This was repaid in February 2013.

Term loan D £37,199. A variable rate of interest, then at 4.5% per annum was charged on this loan. This was due to be repaid by February 2015.

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 1 OCTOBER 2013**

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

	<u>Group</u>		<u>Company</u>	
	2013	2012	2013	2012
	£	£	£	£
Between one and five years	184,255	321,793	184,255	321,793

MORRIS & CO (HANDLERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 OCTOBER 2013

14. DEFERRED TAXATION

	<u>Group</u>		<u>Company</u>	
	2013 £	2012 £	2013 £	2012 £
At beginning of year/period	151,420	120,567	151,420	120,567
Charge for the year (P&L)	6,677	30,853	6,677	30,853
At end of year/period	<u>158,097</u>	<u>151,420</u>	<u>158,097</u>	<u>151,420</u>

The provision for deferred taxation is made up as follows

	<u>Group</u>		<u>Company</u>	
	2013 £	2012 £	2013 £	2012 £
Accelerated capital allowances	160,857	151,420	160,857	151,420
Provisions	(2,760)	-	(2,760)	-
	<u>158,097</u>	<u>151,420</u>	<u>158,097</u>	<u>151,420</u>

15. SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid		
250 Ordinary shares of £1 each	<u>250</u>	<u>250</u>

16. RESERVES

Group	Capital redempt'n reserve £	Revaluation reserve £	Profit and loss account £
At 2 October 2012	250	94,271	245,693
Profit for the financial year			305,886
Dividends Equity capital			(202,410)
Surplus on revaluation of freehold property		383,712	
Transfer between Revaluation reserve and P/L account		29,418	(29,418)
At 1 October 2013	<u>250</u>	<u>507,401</u>	<u>319,751</u>

MORRIS & CO (HANDLERS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 1 OCTOBER 2013**

16. RESERVES (continued)

Company	Capital redempt'n reserve £	Revaluation reserve £	Profit and loss account £
At 2 October 2012	250	94,271	248,704
Profit for the financial year			291,307
Dividends Equity capital			(202,410)
Surplus on revaluation of freehold property		383,712	
Transfer between Revaluation reserve and P/L account		29,418	(29,418)
At 1 October 2013	<u>250</u>	<u>507,401</u>	<u>308,183</u>

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Group	2013 £	2012 £
Opening shareholders' funds	340,464	252,121
Profit for the financial year/period	305,886	116,843
Dividends (Note 18)	(202,410)	(28,500)
Other recognised gains and losses during the year/period	383,712	-
Closing shareholders' funds	<u>827,652</u>	<u>340,464</u>

Company	2013 £	2012 £
Opening shareholders' funds	343,475	262,835
Profit for the financial year/period	291,307	109,140
Dividends (Note 18)	(202,410)	(28,500)
Other recognised gains and losses during the year/period	383,712	-
Closing shareholders' funds	<u>816,084</u>	<u>343,475</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 profit for the year/period dealt with in the accounts of the company was £291,307 (2012 - £109,140)

18. DIVIDENDS

	1 October 2013 £	Period ended 1 October 2012 £
Dividends paid on equity capital	<u>202,410</u>	<u>28,500</u>

MORRIS & CO (HANDLERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 OCTOBER 2013

19. MINORITY INTERESTS

Equity

At 2 October 2012	£ (1,450)
Proportion of profit/(loss) after taxation for the year	12,613
At 1 October 2013	<u>11,163</u>

Prior to the year ended 1 October 2013 the subsidiary was loss making. In these periods, as allowed under FRS 2, the Minority Interest's share of these losses was provided and hence not separately disclosed in equity.

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	1 October 2013 £	Period ended 1 October 2012 £
Operating profit	442,585	254,493
Depreciation of tangible fixed assets	227,224	213,220
Profit on disposal of tangible fixed assets	(39,634)	(39,469)
Increase in stocks	(194,256)	(206,713)
Increase in debtors	(1,214,829)	(1,178,348)
Increase in creditors	327,022	516,528
Net cash outflow from operating activities	<u>(451,888)</u>	<u>(440,289)</u>

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	1 October 2013 £	Period ended 1 October 2012 £
Returns on investments and servicing of finance		
Interest paid on bank loans and overdrafts	(33,294)	(50,095)
Hire purchase interest	(26,690)	(31,187)
Net cash outflow from returns on investments and servicing of finance	<u>(59,984)</u>	<u>(81,282)</u>
	1 October 2013 £	Period ended 1 October 2012 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(116,937)	(162,187)
Sale of tangible fixed assets	56,500	139,050
Net cash outflow from capital expenditure	<u>(60,437)</u>	<u>(23,137)</u>

MORRIS & CO (HANDLERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 OCTOBER 2013

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

	1 October 2013 £	Period ended 1 October 2012 £
Financing		
New secured loans	575,000	195,500
Repayment of secured loans	(637,734)	(98,428)
Repayment of other loans	(137,500)	-
Repayment of finance leases	(229,333)	(287,802)
Movements on invoice discounting	769,840	1,157,580
Net cash inflow from financing	340,273	966,850

22. ANALYSIS OF CHANGES IN NET DEBT

	2 October 2012 £	Cash flow £	Other non-cash changes £	1 October 2013 £
Cash at bank and in hand	141,061	(129,570)	-	11,491
Bank overdraft	(38,021)	(330,391)	-	(368,412)
	<u>103,040</u>	<u>(459,961)</u>	<u>-</u>	<u>(356,921)</u>
Debt:				
Hire purchase and finance leases	(511,005)	229,332	(110,266)	(391,939)
Debts due within one year	(217,191)	178,855	-	(38,336)
Invoice discounting	(1,605,322)	(769,840)	-	(2,375,162)
Debts falling due after more than one year	(538,875)	21,380	-	(517,495)
Net debt	(2,769,353)	(800,234)	(110,266)	(3,679,853)

23. 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 £110,266 (2012 £419,496)

24. 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 2013, Morris Metal Limited had gross liabilities of £177,238.

MORRIS & CO (HANDLERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 OCTOBER 2013

25. 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** (2012: £6,600). Contributions totalling **£Nil** (2012: Nil) were payable to the fund at the balance sheet date and are included in creditors.

26. OPERATING LEASE COMMITMENTS

At 1 October 2013 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2013	2012
Group	£	£
Expiry date:		
Between 2 and 5 years	35,000	35,000

At 1 October 2013 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2013	2012
Company	£	£
Expiry date		
Between 2 and 5 years	35,000	35,000

27. 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 **£700,000** (2012: £600,000).

MORRIS & CO (HANDLERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 OCTOBER 2013

28 RELATED PARTY TRANSACTIONS

Sales to Morris Metal Limited, a 51% owned subsidiary of Morris & Co (Handlers) Limited, during the year amounted to **£143,993** (2012 £85,579) Included in debtors (2012 creditors) at the year end is a balance outstanding of **£35,526** (2012 £33,215)

Purchases from A E Morris Limited, a company in which A E Morris is a director, in the year amounted to **£Nil** (2012 £Nil) Included in debtors at the year end is a balance outstanding of **£106,472** (2012 £76,471)

A E Morris Limited has provided a guarantee for the company in respect of the invoice discounting facility

Purchases from AEM Lifting Limited, a company in which during the year A E Morris was a director, in the year amounted to **£Nil** (2012 £Nil) Included in creditors at the year end is a balance outstanding of **£Nil** (2012 £56,100)

Creditors include **£Nil** (2012 £Nil) due to A E Morris and **£38,014** (2012 £24,234) due to his wife Mrs B Morris

Creditors also include **£88,760** (2012 £125,000) due to S A Morris, a director

Dividends totalling **£201,410** (2012 £28,500) were paid to directors in the year - **£62,770** (2012 £9,500) to A E Morris, **£69,320** (2012 £9,500) to S A Morris and **£69,320** (2012 £9,500) to T E Morris

29. CONTROLLING PARTY

The company is controlled by A E Morris by virtue of his majority shareholding

30. PRINCIPAL SUBSIDIARIES

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