

Company Registration Number - 1240380

14

MORRIS & CO (HANDLERS) LIMITED

ANNUAL REPORT

OFFICIAL COPY

YEAR ENDED 5 APRIL 1998

PANNELL KERR FORSTER

Chartered Accountants



03/02/99

MORRIS & CO (HANDLERS) LIMITED

1.

ANNUAL REPORT

YEAR ENDED 5 APRIL 1998

COMPANY NUMBER

1240380

DIRECTORS

A D Morris
A E Morris

SECRETARY

A E Morris

REGISTERED OFFICE

Turners Retreat
Brunell Industrial Estate
Harworth
Doncaster

SOLICITORS

Frank Allen Pennington
Doncaster

AUDITORS

Pannell Kerr Forster
Doncaster

BANKERS

Yorkshire Bank plc
Doncaster

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DIRECTORS' REPORT

1. RESULTS AND DIVIDENDS

The trading loss for the year after taxation was £25,617. The directors recommend that no dividend be paid.

2. PRINCIPAL ACTIVITY AND FUTURE DEVELOPMENTS

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

The directors are taking action to ensure the company is year 2000 compliant. No significant costs are anticipated.

3. DIRECTORS

The directors at the end of the year and their beneficial interests in the shares of the company were as follows:

	Ordinary shares	
	05:04:98	06:04:97
A D Morris	250	250
A E Morris	250	250

4. DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:-

- * select suitable accounting policies and then apply them consistently;
- * make judgements and 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 proper accounting records which 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 1985. 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.

5. STATUS

The company is a close company under the provisions of the Income and Corporation Taxes Act 1988.

6. AUDITORS

A resolution to re-appoint the auditors, Pannell Kerr Forster, will be proposed at the annual general meeting.

DIRECTORS' REPORT

7. SMALL COMPANY REPORTING EXEMPTIONS

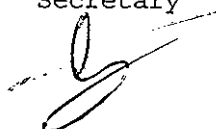
This directors' report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

14 January 1999

By order of the board

A E MORRIS

Secretary



MORRIS & CO (HANDLERS) LIMITED

We have audited the financial statements on pages 5 to 13 which have been prepared under the accounting policies set out on page 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards, except that the scope of our work was limited as explained below.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or other irregularity or error. However, the evidence available to us was limited because we were appointed auditors on 14 January 1999 and in consequence we were unable to carry out auditing procedures necessary to obtain adequate assurance regarding the quantities and condition of stock, appearing in the balance sheet at £43,500. Any significant adjustment to this figure would have a consequential effect on the loss for the year.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

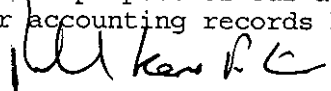
OPINION: DISCLAIMER ON VIEW GIVEN BY FINANCIAL STATEMENTS

Because of the possible effect of the limitation in evidence available to us, we are unable to form an opinion as to whether the financial statements give a true and fair view of the state of the company's affairs as at 5 April 1998 and of its loss for the year then ended. In all other respects, in our opinion the financial statements have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to the matter referred to above we have not obtained all the information and explanations that we considered necessary for the purpose of our audit, and we were unable to determine whether proper accounting records had been maintained.

14 January 1999

Doncaster


PANNELL KERR FORSTER

Chartered Accountants
Registered Auditors

PROFIT AND LOSS ACCOUNT

YEAR ENDED 5 APRIL 1998

		1998	1997
	<u>Notes</u>	<u>£</u>	<u>£</u>
TURNOVER	2	376,928	249,396
Cost of sales		355,075	274,431
GROSS PROFIT (LOSS)		21,853	(25,035)
Administrative expenses		28,159	46,295
OPERATING LOSS		(6,306)	(71,330)
Exceptional item	4	11,477	18,960
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		(17,783)	(90,290)
Interest receivable and similar income		-	1,348
		(17,783)	(88,942)
Interest payable	3	7,878	7,314
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	5	(25,661)	(96,256)
Tax on ordinary activities	6	(44)	(9,026)
LOSS FOR THE FINANCIAL YEAR		(25,617)	(87,230)

All amounts relate to continuing operations.

BALANCE SHEET

5 APRIL 1998

		1998		1997	
	<u>Notes</u>	£	£	£	£
FIXED ASSETS					
Tangible assets	7		386,887		308,925
CURRENT ASSETS					
Stocks		43,500		32,000	
Debtors	8	32,081		57,026	
Cash at bank and in hand		536		208	
		<u>76,117</u>		<u>89,234</u>	
CREDITORS - Amounts falling due within one year	9	179,119		165,411	
NET CURRENT LIABILITIES			(103,002)		(76,177)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>283,885</u>		<u>232,748</u>
CREDITORS - Amounts falling due after more than one year	9		-		5,508
NET ASSETS			<u>283,885</u>		<u>227,240</u>
CAPITAL AND RESERVES					
Called up share capital	11		500		500
Revaluation reserve	12		87,262		5,000
Profit and loss account	12		196,123		221,740
SHAREHOLDERS' FUNDS	13		<u>283,885</u>		<u>227,240</u>

The financial statements are prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

Approved by the board on 14 January 1999

A E MORRIS

- Director



STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 5 APRIL 1998

	1998	1997
	<u>£</u>	<u>£</u>
Loss for the financial year	(25,617)	(87,230)
Unrealised surplus on revaluation of property	82,262	-
Total recognised gains and losses relating to the year	<u>56,645</u>	<u>(87,230)</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 1998

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, and in accordance with applicable accounting standards.

Tangible fixed assets and depreciation

Tangible assets other than freehold land and investment properties are depreciated over their estimated useful lives at the following annual rates:

Plant and machinery	- 10% straight line
Office equipment	- 25% straight line
Motor vehicles	- 25% straight line

Stocks

Stocks are stated at the lower of cost and net realisable value using the first in/first out method.

Leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are capitalised as tangible fixed assets and the obligation to pay future rentals under such leases and contracts is included in creditors. Payments in respect of the finance charge element of the leases and contracts are charged to profit and loss account so as fairly to apportion the charge over the duration of the leases and contracts.

Rentals payable under operating leases are charged in the profit and loss account in the year in which they are incurred.

Deferred taxation

Provision is made for deferred tax, using the liability method, to the extent that it is probable that a liability will crystallise in the foreseeable future.

Turnover

Turnover represents sales at invoice value less trade discounts allowed and excluding value added tax.

Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from producing a cash flow statement on the grounds that it is a small company.

2. TURNOVER

All sales were within the United Kingdom.

3. INTEREST AND SIMILAR CHARGES

Interest payable includes interest on
hire purchase contracts
Bank interest

853	1,741
7,025	5,573
<u>7,878</u>	<u>7,314</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 1998

	1998	1997
	£	£
4. EXCEPTIONAL ITEMS		
Environment costs	11,477	18,960
5. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		
The loss on ordinary activities before taxation is after charging:		
Audit fee	1,000	-
Depreciation written off tangible fixed assets	12,986	12,660
Operating lease rentals - Plant and machinery	(209)	3,747
6. TAX ON ORDINARY ACTIVITIES		
Corporation tax on the loss for the year at 25%	-	(9,547)
Deferred taxation	-	(5,265)
	-	(14,812)
Adjustments in respect of previous year	(44)	5,786
	(44)	(9,026)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 1998

7. FIXED ASSETS - TANGIBLE

	Freehold Land	Plant and Machinery etc.	Total
<u>Cost/valuation</u>	£	£	£
At 6 April 1997	243,743	94,048	337,791
Additions	-	8,686	8,686
Revaluation	82,262	-	82,262
At 5 April 1998	326,005	102,734	428,739
<u>Depreciation</u>			
At 6 April 1997	-	28,866	28,866
Charge for year	-	12,986	12,986
At 5 April 1998	-	41,852	41,852
<u>Net book amounts</u>			
At 5 April 1998	326,005	60,882	386,887
At 6 April 1997	243,743	65,182	308,925

Freehold land includes investment properties which have been revalued by the directors as at 5 April 1998.

Investment properties comprise land analysed as follows:-

	1998	1997
	£	£
At valuation	302,500	25,000
At cost	-	195,238
	302,500	220,238

The historical cost of the freehold investment properties included at valuation is £215,238.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 1998

Of the above assets the following are held under finance leases or hire purchase agreements:

	1998	1997
	£	£
<u>Net book amounts</u>		
Motor vehicles	9,167	14,667
<u>Depreciation charge for year</u>		
Motor vehicles	5,500	5,500

8. DEBTORS

	1998	1997
	£	£
Due within one year:		
Trade debtors	15,808	32,534
Other debtors	6,273	14,492
	22,081	47,026
Due after more than one year:		
Other debtors	10,000	10,000

9. CREDITORS

Amounts falling due within one year:		
Bank overdraft	89,731	92,562
Trade creditors	32,923	29,462
Corporation tax	-	1,932
Other creditors	11,717	-
Hire purchase liabilities	5,508	6,765
Other creditors:		
Other taxation and social security	22,592	21,298
Directors' current accounts	11,846	7,718
Accruals and deferred income	4,802	5,674
	179,119	165,411
Amounts falling due between one and two years:		
Hire purchase liabilities	-	5,508

The hire purchase liabilities are secured by motor vehicles.

MORRIS & CO (HANDLERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 1998

	1998	1997
	£	£
10. DEFERRED TAXATION		
At 6 April 1997	-	5,265
Credited to profit and loss account	-	(5,265)
At 5 April 1998	-	-

11. CALLED UP SHARE CAPITAL

There was no change in share capital during the year.

	Authorised	Allotted & fully paid
	£	£
Ordinary shares of £1 each	1,000	500

12. RESERVES

	Revaluation reserve	Profit and loss account
	£	£
At 6 April 1997	5,000	221,740
Changes during the year	82,262	
Loss for the year		(25,617)
At 5 April 1998	87,262	196,123

	1998	1997
	£	£
13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS		
At 6 April 1997	227,240	314,470
Loss for the financial year	(25,617)	(87,230)
Movement on revaluation reserve	82,262	-
At 5 April 1998	283,885	227,240

14. FINANCIAL COMMITMENTS

Finance Leases

The company had obligations under leases net of finance charges at the balance sheet date as follows:

Payable within one year	5,508	6,765
Payable between two and five years	-	5,508
	5,508	12,273

MORRIS & CO (HANDLERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 1998

15. RELATED PARTIES

Creditors(1998) include £11,717 debtors(1997) £8,283 in relation to A E Morris Limited, a company in which A E Morris is a director and major shareholder.

Creditors include directors current accounts as follows. The loans are interest free.

	£
A D Morris	2,718 (1997 2,718)
A E Morris	9,128 (1997 5,000)

16. GOING CONCERN

The directors became aware of anomalies at the Rossington site during the previous year and since then they have taken action to return the company to profitability. In these circumstances the accounts are drawn up on a going concern basis.