

Company Registration No. 01866895 (England and Wales)

## **E Harper (York) Limited**

### **Directors' Report and Financial Statements For The Year Ended 31 March 2005**



# **E HARPER (YORK) LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	N H Harper	
	J K Harper	
	A J Ready	(Appointed 13 April 2005)
	G F Thomson	
	J Foster	(Appointed 13 April 2005)
<b>Secretary</b>	J K Harper	
<b>Company number</b>	01866895	
<b>Registered office</b>	Cleveland	
	Carr Lane	
	Sutton-on-Forest	
	York	
	YO61 1EY	
<b>Auditors</b>	Garbutt & Elliott Limited	
	Arabesque House	
	Monks Cross Drive	
	Huntington	
	York	
<b>Bankers</b>	YO32 9GW	
	Barclays Bank plc	
	Parliament Street	
	York	
	YO1 8GA	

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# E HARPER (YORK) LIMITED

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# E HARPER (YORK) LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2005

The directors present their report and financial statements for the year ended 31 March 2005.

### Principal activities and review of the business

The principal activities are waste disposal and industrial high pressure water jet clearing.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect growth in the foreseeable future.

### Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of a dividend.

It is proposed that the profit of £55,345 be transferred to reserves.

### Market value of land and buildings

The directors are of the opinion that there is no significant difference between the net book value and market value of land and buildings.

### Directors

The following directors have held office since 1 April 2004:

N H Harper	
J K Harper	
R J Saville	(Resigned 13 May 2005)
A J Ready	(Appointed 13 April 2005)
G F Thomson	
J Foster	(Appointed 13 April 2005)

### Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 March 2005	1 April 2004
N H Harper	25,000	25,000
J K Harper	25,000	25,000
R J Saville	-	-
G F Thomson	-	-

Charitable donations	2005	2004
	£	£

During the year the company made the following payments:

Charitable donations	1,225	2,244
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### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Garbutt & Elliott Limited be reappointed as auditors of the company will be put to the Annual General Meeting.

# **E HARPER (YORK) LIMITED**

## **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005**

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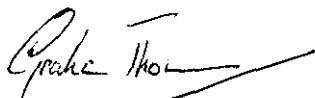
### **Directors' responsibilities**

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.

On behalf of the board



G F Thomson

**Director**

14 October 2005

# E HARPER (YORK) LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF E HARPER (YORK) LIMITED

We have audited the financial statements of E Harper (York) Limited on pages 4 to 18 for the year ended 31 March 2005. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our 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 auditors' 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 work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the directors and auditors**

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. 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 and performed 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 misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Garbutt & Elliott Limited**

17 October 2005

Chartered Accountants  
**Registered Auditors**

Arabesque House  
Monks Cross Drive  
Huntington  
York  
YO32 9GW

# E HARPER (YORK) LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	Notes	2005 £	2004 £
Turnover	2	5,292,850	5,686,982
Cost of sales		(3,843,714)	(4,213,297)
<b>Gross profit</b>		<b>1,449,136</b>	<b>1,473,685</b>
Administrative expenses		(1,443,406)	(1,378,544)
<b>Operating profit</b>	3	<b>5,730</b>	<b>95,141</b>
Other interest receivable and similar income		70,029	4,498
Interest payable and similar charges	4	(35,450)	(40,158)
<b>Profit on ordinary activities before taxation</b>		<b>40,309</b>	<b>59,481</b>
Tax on profit on ordinary activities	5	15,036	(11,076)
<b>Profit on ordinary activities after taxation</b>	15	<b>55,345</b>	<b>48,405</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

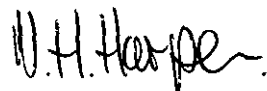
There are no recognised gains and losses other than those passing through the profit and loss account.

# E HARPER (YORK) LIMITED

## BALANCE SHEET AS AT 31 MARCH 2005

	Notes	2005 £	£	2004 £	£
<b>Fixed assets</b>					
Tangible assets	6	1,417,130		1,706,688	
Investments	7	100,630		100,615	
		<u>1,517,760</u>		<u>1,807,303</u>	
<b>Current assets</b>					
Stocks	8	99,051		63,067	
Debtors	9	1,984,721		1,272,081	
Cash at bank and in hand		107,432		529,182	
		<u>2,191,204</u>		<u>1,864,330</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(1,570,005)</u>		<u>(1,523,761)</u>	
<b>Net current assets</b>		<u>621,199</u>		<u>340,569</u>	
<b>Total assets less current liabilities</b>		<u>2,138,959</u>		<u>2,147,872</u>	
<b>Creditors: amounts falling due after more than one year</b>	11	(273,995)		(349,634)	
<b>Provisions for liabilities and charges</b>	12	<u>(134,381)</u>		<u>(123,000)</u>	
		<u>1,730,583</u>		<u>1,675,238</u>	
<b>Capital and reserves</b>					
Called up share capital	14	50,000		50,000	
Profit and loss account	15	1,680,583		1,625,238	
<b>Shareholders' funds - equity interests</b>	16	<u>1,730,583</u>		<u>1,675,238</u>	

The financial statements were approved by the Board on 14 October 2005



N H Harper  
Director



# E HARPER (YORK) LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

	2005	2004
£	£	£
<b>Net cash (outflow)/inflow from operating activities</b>	(181,983)	671,178
<b>Returns on investments and servicing of finance</b>		
Interest received	70,029	4,498
Interest paid	(35,450)	(40,158)
<b>Net cash inflow/(outflow) for returns on investments and servicing of finance</b>	34,579	(35,660)
<b>Taxation</b>	(66,964)	(30,849)
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(197,771)	(83,220)
Receipts from sales of tangible assets	17,181	300,273
<b>Net cash (outflow)/inflow for capital expenditure</b>	(180,590)	217,053
<b>Acquisitions and disposals</b>		
Purchase of subsidiary undertakings (net of cash acquired)	(15)	(100,555)
<b>Net cash outflow for acquisitions and disposals</b>	(15)	(100,555)
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>	(394,973)	721,167
<b>Financing</b>		
Repayment of long term bank loan	(9,278)	(9,406)
Capital element of hire purchase contracts	(63,927)	(97,085)
<b>Net cash outflow from financing</b>	(73,205)	(106,491)
<b>(Decrease)/increase in cash in the year</b>	(468,178)	614,676

# E HARPER (YORK) LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

1	Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2005	2004
		£	£
	Operating profit	5,730	95,141
	Depreciation of tangible assets	473,592	600,004
	Profit on disposal of tangible assets	(3,444)	(76,081)
	Increase in stocks	(35,984)	(2,946)
	(Increase)/decrease in debtors	(712,640)	65,984
	Increase/(decrease) in creditors within one year	80,382	(10,924)
	Increase in provisions	10,381	-
	<b>Net cash (outflow)/inflow from operating activities</b>	<b>(181,983)</b>	<b>671,178</b>

2	Analysis of net debt	1 April 2004	Cash flow	Other non-cash changes	31 March 2005
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	529,182	(421,750)	-	107,432
	Bank overdrafts	(12,285)	(46,428)	-	(58,713)
		<u>516,897</u>	<u>(468,178)</u>	<u>-</u>	<u>48,719</u>
	Debt:				
	Finance leases	(445,639)	63,927	-	(381,712)
	Debts falling due within one year	(9,911)	(610)	-	(10,521)
	Debts falling due after one year	(73,597)	9,888	-	(63,709)
		<u>(529,147)</u>	<u>73,205</u>	<u>-</u>	<u>(455,942)</u>
	<b>Net debt</b>	<b>(12,250)</b>	<b>(394,973)</b>	<b>-</b>	<b>(407,223)</b>

3	Reconciliation of net cash flow to movement in net debt	2005	2004
		£	£
	(Decrease)/increase in cash in the year	(468,178)	614,676
	Cash outflow from decrease in debt and lease financing	73,205	106,491
	<b>Movement in net debt in the year</b>	<b>(394,973)</b>	<b>721,167</b>
	Opening net debt	(12,250)	(733,417)
	<b>Closing net debt</b>	<b>(407,223)</b>	<b>(12,250)</b>

# **E HARPER (YORK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention.

#### **1.2 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### **1.3 Tangible fixed assets and depreciation**

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold property improvements	4% straight line
Plant and machinery	10% straight line
Fixtures, fittings & equipment	10% and 20% straight line
Motor vehicles	10% to 25% straight line

No depreciation has been provided in respect of freehold buildings as the directors consider their residual value to approximate to cost, such that any depreciation charge would not be material.

#### **1.4 Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated in accordance with the policy stated above. 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.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### **1.5 Investments**

Fixed asset investments are stated at cost less any diminution in value.

#### **1.6 Stock and work in progress**

Stock and work in progress are valued at the lower of cost and net realisable value.

#### **1.7 Pensions**

The company operates a defined contribution pension scheme. The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

# E HARPER (YORK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

### 1 Accounting policies

(continued)

#### 1.8 Deferred taxation

Full provision is made for deferred tax arising from timing differences existing at the balance sheet date where there exists an obligation to pay more, or right to pay less tax, with the following exceptions:

- Provision is made for tax on gains arising from revaluation of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be sufficient taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax balances are not discounted and are calculated at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse.

#### 1.9 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

### 3 Operating profit

	2005 £	2004 £
Operating profit is stated after charging:		
Depreciation of tangible assets	473,592	600,004
Operating lease rentals		
- Plant and machinery	128,734	206,601
- Other assets	13,285	24,805
Auditors' remuneration	4,500	4,300
and after crediting:		
Profit on disposal of tangible assets	(3,444)	(76,081)

Administration expenses include a charge of £38,755 being the write off of a balance due from North East Site Services Ltd in which this company has a 50% joint venture interest.

# E HARPER (YORK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

<b>4</b>	<b>Interest payable</b>	<b>2005</b>	<b>2004</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	11,911	9,082
	On other loans	5,362	5,234
	Hire purchase interest	18,177	25,239
	On overdue tax	-	603
		<u>35,450</u>	<u>40,158</u>
<b>5</b>	<b>Taxation</b>	<b>2005</b>	<b>2004</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U.K. corporation tax	-	83,000
	Adjustment for prior years	(16,036)	(13,924)
	<b>Current tax charge</b>	<u>(16,036)</u>	<u>69,076</u>
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	1,000	(58,000)
		<u>(15,036)</u>	<u>11,076</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>40,309</u>	<u>59,481</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2004: 30.00%)	<u>12,093</u>	<u>17,844</u>
	Effects of:		
	Non deductible expenses	7,189	4,706
	Depreciation add back	141,045	180,001
	Capital allowances	(95,996)	(93,069)
	Group relief claims	(74,957)	-
	Adjustments to previous periods	(16,036)	(13,924)
	Other tax adjustments	10,626	(26,482)
		<u>(28,129)</u>	<u>51,232</u>
	<b>Current tax charge</b>	<u>(16,036)</u>	<u>69,076</u>

# E HARPER (YORK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

### 6 Tangible fixed assets

	Freehold land and buildings £	Leasehold property improvements £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 April 2004	203,747	121,005	784,606	83,773	4,702,746	5,895,877
Additions	-	-	5,490	8,993	183,288	197,771
Disposals	-	-	-	(1,432)	(94,955)	(96,387)
At 31 March 2005	203,747	121,005	790,096	91,334	4,791,079	5,997,261
<b>Depreciation</b>						
At 1 April 2004	-	4,840	487,824	35,121	3,661,404	4,189,189
On disposals	-	-	-	(286)	(82,364)	(82,650)
Charge for the year	-	4,840	55,271	12,938	400,543	473,592
At 31 March 2005	-	9,680	543,095	47,773	3,979,583	4,580,131
<b>Net book value</b>						
At 31 March 2005	203,747	111,325	247,001	43,561	811,496	1,417,130
At 31 March 2004	203,747	116,165	296,782	48,652	1,041,342	1,706,688

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles £
<b>Net book values</b>	
At 31 March 2005	426,337
At 31 March 2004	490,278
<b>Depreciation charge for the year</b>	
31 March 2005	105,208
31 March 2004	124,674

# E HARPER (YORK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

### 7 Fixed asset investments

	Shares in subsidiary undertakings £
<b>Cost</b>	
At 1 April 2004	100,615
Additions	15
At 31 March 2005	<u>100,630</u>

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
<b>Subsidiary undertakings</b>			
R U Recycling Limited	England and Wales	Ordinary	75
R U Recycling Limited	England and Wales	Preference	100
Andela Products Limited	England and Wales	Ordinary	55
<b>Participating interests</b>			
North East Site Services Limited	England and Wales	Ordinary	50

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves 2005 £	Profit for the year 2005 £
R U Recycling Limited	(827,515)	(567,929)
Andela Products Limited	100	-
North East Site Services Limited	<u>(70,251)</u>	<u>8,788</u>

The figures for North East Site Services Limited are based on management accounts.

### 8 Stocks and work in progress

	2005 £	2004 £
Work in progress	65,232	28,227
Finished goods and goods for resale	33,819	34,840
	<u>99,051</u>	<u>63,067</u>

# E HARPER (YORK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

9 Debtors	2005	2004
	£	£
Trade debtors	1,138,381	867,483
Amounts owed by subsidiary undertakings	786,791	298,883
Other debtors	55,931	62,838
Prepayments and accrued income	3,618	42,877
	<u>1,984,721</u>	<u>1,272,081</u>
10 Creditors: amounts falling due within one year	2005	2004
	£	£
Bank loans and overdrafts	69,234	22,196
Net obligations under hire purchase contracts	171,426	169,602
Trade creditors	467,624	472,116
Amounts owed to parent and fellow subsidiary undertakings	70	55
Corporation tax	-	83,000
Other taxes and social security costs	164,843	144,733
Other creditors	616,435	571,463
Accruals and deferred income	80,373	60,596
	<u>1,570,005</u>	<u>1,523,761</u>

The bank loans and overdraft are secured by a fixed and floating charge over the assets of the company.

Hire purchase borrowings are secured against the assets to which they relate.



# E HARPER (YORK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

11 Creditors: amounts falling due after more than one year	2005 £	2004 £
Bank loans	63,709	73,597
Net obligations under hire purchase contracts	210,286	276,037
	<u>273,995</u>	<u>349,634</u>
<b>Analysis of loans</b>		
Not wholly repayable within five years by instalments:	74,230	83,508
	<u>74,230</u>	<u>83,508</u>
Included in current liabilities	(10,521)	(9,911)
	<u>63,709</u>	<u>73,597</u>
Instalments not due within five years	<u>14,643</u>	<u>29,286</u>
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	11,168	10,521
In more than two years but not more than five years	38,362	35,607
In more than five years	<u>14,179</u>	<u>27,469</u>
Bank loans are secured by a fixed and floating charge over the assets of the company.		
Hire purchase borrowings are secured against the assets to which they relate.		
<b>Net obligations under hire purchase contracts</b>		
Repayable within one year	192,303	192,490
Repayable between one and five years	242,690	283,224
	<u>434,993</u>	<u>475,714</u>
Finance charges and interest allocated to future accounting periods	(53,281)	(30,075)
	<u>381,712</u>	<u>445,639</u>
Included in liabilities falling due within one year	(171,426)	(169,602)
	<u>210,286</u>	<u>276,037</u>

# E HARPER (YORK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

### 12 Provisions for liabilities and charges

	Deferred tax liability £	Other £	Total £
Balance at 1 April 2004	123,000	-	123,000
Profit and loss account	1,000	10,381	11,381
	<u>124,000</u>	<u>10,381</u>	<u>134,381</u>
Balance at 31 March 2005	124,000	10,381	134,381

The deferred tax liability is made up as follows:

	2005 £	2004 £
Accelerated capital allowances	<u>124,000</u>	<u>123,000</u>

### 13 Pension costs

#### Defined contribution

The company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the company with insurance companies. The pension cost charge represents contributions payable by the company to the schemes, as follows:

	2005 £	2004 £
Contributions payable by the company for the year	<u>14,979</u>	<u>6,079</u>

### 14 Share capital

	2005 £	2004 £
<b>Authorised</b>		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
<b>Allotted, called up and fully paid</b>		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

# E HARPER (YORK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

### 15 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2004	1,625,238
Retained profit for the year	55,345
	<hr/>
Balance at 31 March 2005	1,680,583
	<hr/>

### 16 Reconciliation of movements in shareholders' funds

	2005 £	2004 £
Profit for the financial year	55,345	48,405
Opening shareholders' funds	1,675,238	1,626,833
	<hr/>	<hr/>
Closing shareholders' funds	1,730,583	1,675,238
	<hr/>	<hr/>

### 17 Financial commitments

At 31 March 2005 the company had annual commitments under non-cancellable operating leases as follows:

	2005 £	2004 £
Expiry date:		
Between two and five years	26,900	22,316
	<hr/>	<hr/>

### 18 Capital commitments

	2005 £	2004 £
At 31 March 2005 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements	164,000	-
	<hr/>	<hr/>

# E HARPER (YORK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

19 Directors' emoluments	2005 £	2004 £
Emoluments for qualifying services	235,497	222,803
Company pension contributions to money purchase schemes	5,104	(4,133)
	<u>240,601</u>	<u>218,670</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2004- 2).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	<u>76,190</u>	<u>81,023</u>
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## 20 Employees

### Number of employees

The average monthly number of employees (including directors) during the year was:

	2005 Number	2004 Number
Operating	52	54
Administration	22	16
	<u>74</u>	<u>70</u>

### Employment costs

	£	£
Wages and salaries	1,618,690	1,744,669
Social security costs	163,133	190,947
Other pension costs	14,979	6,079
	<u>1,796,802</u>	<u>1,941,695</u>

## 21 Contingent Liabilities

Together with R U Recycling Limited (RUR), this company's subsidiary, the company is party to a cross-guarantee in respect of bank borrowings. At the balance sheet date total bank borrowings amounted to £520,612 (2004 - £304,213).

In addition to the above, the company has provided a guarantee of £585,000 (2004 - £585,000) in respect of hire purchase funding. The company has also guaranteed a property lease of £20,000 (2004 - £20,000) per annum with an unexpired term of 3 years.

# **E HARPER (YORK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005**

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### **22 Control**

The company is controlled by NH and JK Harper, two of the directors.

### **23 Related party transactions**

#### **N H Harper**

During the year the company paid rent to N H Harper, a director and shareholder, amounting to £13,285 (2004: £24,805). N H Harper has also offered certain of his personal assets as security for this company's bank borrowings.

#### **Sludge Dewatering Systems Limited (SDS)**

SDS is a company also controlled by N H and J K Harper. During the year, sales were made to SDS amounting to £29,760 (2004: £1,802) and direct purchases were made from SDS amounting to £28,359 (2004: £40,668). In addition, SDS was charged a management charge of £15,000 (2004: £15,000). At 31 March 2005 the balance owing to SDS amounted to £616,435 (2004: £571,463), and is included within creditors: amounts falling due within one year, 'other creditors'.

#### **R U Recycling Limited (RUR)**

RUR is a subsidiary of E Harper (York) Limited. Sales and interest charges were made to RUR amounting to £77,912 (2004: £17,791). Assets costing £27,400 (2004: £174,704) were transferred to RUR, the HP creditors relating to these assets remain in E Harper (York) Limited. At 31 March 2005 the balance owing to Harpers amounted to £786,791 (2004: £298,883). The company has provided guarantees to parties in respect of RUR. These guarantees comprised £585,000 in respect of hire purchase funding, £500,000 in respect of a bank overdraft and in respect of a property lease at £20,000 per annum with an unexpired term of 4 years.

#### **North East Site Services Limited (NESS)**

NESS is a joint venture company in which E Harper (York) Limited, has a 50% shareholding. E Harper (York) Limited recharged expenses to NESS of £40,703 (2004: £46,075). Direct purchases of £10,890 (2004: £4,483) were made from NESS. At 31 March 2005 the balance due from NESS was £55,931 (2004: £57,011), and included within debtors, 'other debtors'.