

DAVID MURRAY & SON LIMITED.

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 1996.

Company No. 02584067 (England and Wales)



DAVID MURRAY & SON LIMITED.

COMPANY INFORMATION

DIRECTORS:

Andrew Murray
David Murray
Maureen Winifred Murray

SECRETARY:

Maureen Winifred Murray

COMPANY NUMBER:

02584067

REGISTERED OFFICE:

Marsh Bar Cottage,
Royd Moor Lane,
Hemsworth,
West Yorkshire.
WF9 5LR.

AUDITORS:

Peel, Walker & Company,
11, Victoria Road,
Elland.
HX5 OAE.

DAVID MURRAY & SON LIMITED.

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DAVID MURRAY & SON LIMITED.

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1996.

The directors present their report and the financial statements for the year ended 31st March, 1996.

PRINCIPAL ACTIVITIES

The company's principal activity continues to be that of Pallet Repair and Sale.

DIRECTORS

The directors who served during the year and their beneficial interests in the company's issued ordinary share capital were:

	<u>Number of Shares</u>	
	<u>1996</u>	<u>1995</u>
Andrew Murray	24,000	24,000
David Murray	51,000	51,000
Maureen Winifred Murray	25,000	25,000

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 accounts 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.

AUDITORS

The auditors, Peel, Walker & Company, will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

This report was approved by the Board on the 15th May, 1996 taking advantage of special exemptions available to small companies.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS.

M. W. Murray

M.W. Murray
SECRETARY

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
DAVID MURRAY & SON LIMITED.**

We have audited the accounts on pages 3 to 7 which have been prepared under the historical cost convention and the accounting policies set out on pages 5 and 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements by the directors in the preparation of the accounts 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 accounts 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 accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st March, 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Peel, Walker & Company

PEEL, WALKER & COMPANY,
Registered Auditors and Chartered Accountants,
11, Victoria Road,
Elland.
HX5 OAE.

16th May, 1996.

DAVID MURRAY & SON LIMITED.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1996.

	<u>Note</u>	<u>1996</u>	<u>1995</u>
TURNOVER	2	787,660	882,171
Cost of Sales		(574,097)	(639,665)
GROSS PROFIT		213,563	242,506
NET OPERATING EXPENSES			
Administrative Expenses		(190,310)	(215,489)
OPERATING PROFIT	3	23,253	27,017
Interest Payable		(9,690)	(11,032)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		13,563	15,985
Taxation	4	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		13,563	15,985
Retained loss brought forward		(3,583)	(19,568)
RETAINED PROFIT/(LOSS) CARRIED FORWARD		<u>£ 9,980</u>	<u>£ (3,583)</u>

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1996 or 1995 other than the profit for the year and (profit) loss on sale of Fixed Assets of (£5,065) and £8,597 respectively.

The notes on pages 5 to 7 form part of these financial statements.

DAVID MURRAY & SON LIMITED.

BALANCE SHEET AS ON 31ST MARCH, 1996.

	<u>Note</u>	<u>1996</u>	<u>1995</u>
FIXED ASSETS			
Tangible Assets	5	109,770	109,802
CURRENT ASSETS			
Stocks		29,656	24,328
Debtors	6	276,929	244,012
Cash at bank and in hand		4,744	5,879
		<u>311,329</u>	<u>274,219</u>
CREDITORS: Amounts becoming due and payable within one year	7	(311,119)	(286,010)
NET CURRENT ASSETS/(LIABILITIES)		210	(11,791)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>109,980</u>	<u>98,011</u>
CREDITORS: Amounts becoming due and payable after more than one year	8	-	(1,595)
		<u>£ 109,980</u>	<u>£ 96,416</u>
CAPITAL AND RESERVES			
Called Up Share Capital	10	100,000	100,000
Profit and Loss Account		9,980	(3,584)
TOTAL SHAREHOLDERS' FUNDS		<u>£ 109,980</u>	<u>£ 96,416</u>

The directors have taken advantage in the preparation of these financial statements of special exemptions provided by Part I of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

The financial statements were approved by the Board of Directors on the 15th May, 1996.

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Directors

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The notes on pages 5 to 7 form part of these financial statements.

DAVID MURRAY & SON LIMITED.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 1996.

1 ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF ACCOUNTS

The financial statements are prepared under the historical cost convention and incorporate the results of the principal activity which is described in the directors' report and which is continuing.

The company has taken advantage of the exemption in FRS 1 from the requirement to prepare a cash flow statement on the grounds that it is a small company.

1.2 TURNOVER

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

1.3 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor Vehicles	- 25% on reducing balance
Plant & Equipment	- 15% on reducing balance
Fixtures & Fittings	- 15% on reducing balance

1.4 LEASING AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 OPERATING LEASES

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

1.6 STOCKS AND WORK IN PROGRESS

Stocks and work in progress 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 and an appropriate proportion of fixed and variable overheads.

1.7 RESEARCH AND DEVELOPMENT

Expenditure on research and development is written off in the year that it is incurred.

1.8 DEFERRED TAXATION

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

1.9 PENSIONS

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

2 TURNOVER

During the year the company exported 0% of its turnover (1995 0%).

3 OPERATING PROFIT

The operating profit is stated after charging:

	<u>1996</u>	<u>1995</u>
Depreciation of tangible fixed assets		
- owned by the company	17,065	17,867
Directors' remuneration	23,051	27,035
Auditors' remuneration	3,088	2,265

4 TAXATION**UK Current year taxation**

UK Corporation Tax at 25% (1995 25%) Nil Nil

If provision were made for deferred taxation on the basis of the full potential liability, the tax charge would increase by £6,000.50 (1995 £2,471.75) due to accelerated capital allowances.

5 TANGIBLE FIXED ASSETS

	<u>Motor Vehicles</u>	<u>Plant & Equipment</u>	<u>Fixtures & Fittings</u>	<u>Land & Buildings</u>	<u>Total</u>
Cost or Valuation					
1st April, 1995	50,104	75,683	16,810	31,260	173,857
Additions	16,565	795	265	-	17,625
Disposals	(1,400)	-	-	-	(1,400)
31st March, 1996	£ 65,269	76,478	17,075	31,260	190,082
Depreciation					
1st April, 1995	28,315	28,256	7,485	-	64,056
Charge for year	8,393	7,233	1,439	-	17,065
Disposals	(809)	-	-	-	(809)
31st March, 1996	£ 35,899	35,489	8,924	-	80,312
Net Book Amount					
31st March, 1996	£ 29,370	40,989	8,151	31,260	109,770
1st April, 1995	£ 21,789	47,427	9,325	31,261	109,802

Included in Motor Vehicles and Plant & Equipment are assets held under Hire Purchase Agreements amounting to £27,847 and £6,300 respectively (last year £14,800 and £6,300).

6 DEBTORS**Due within one year**

	<u>1996</u>	<u>1995</u>
Trade debtors	174,953	196,782
Other debtors - Loan Timber Recovery Ltd	91,023	36,180
Prepayments and accrued income	10,953	11,050
	<u>£ 276,929</u>	<u>£ 244,012</u>

7	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>1996</u>	<u>1995</u>
	Bank loans and overdrafts (secured)	232,454	218,651
	Net obligations under finance leases and hire purchase contracts (secured)	15,482	6,043
	Other taxation and social security	38,849	36,924
	Accruals and deferred income	5,055	4,692
	Directors Loan accounts	19,279	19,700
		<u>£ 311,119</u>	<u>£ 286,010</u>
8	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
	Net obligations under finance leases and hire purchase contracts (secured)	-	<u>£ 1,595</u>
9	DEFERRED TAXATION		
		<u>Maximum potential liability</u>	
	Accelerated capital allowances	14,352	12,988
	Losses C/F	8,351	10,516
		<u>£ 6,001</u>	<u>£ 2,472</u>
10	CALLED UP SHARE CAPITAL		
	Authorised		
	500,000 Ordinary Shares of £1 each	£ 500,000	£ 500,000
	Allotted, Called Up and Fully Paid		
11	100,000 Ordinary Shares of £1 each	£ 100,000	£ 100,000
	COMMITMENTS		
	Capital Commitments		
	There were no capital commitments at the 31st March, 1996.		
	Pension Commitments		
	The company operates a defined contribution pension scheme on behalf of selected directors and employees. The assets of the scheme are held separately from those of the company in a fully insured fund. Contributions are based upon recommendation from the Insurance Company. The company paid £933.75 (1995 £1,190.27) in to the scheme.		