

Secure Office Shredding Limited
Director's Report and Accounts
Year ended 30 April 1999

Company Registration No. 2590512 (England and Wales)



Secure Office Shredding Limited

Company Information

Director J P Blundell

Secretary E Grant

Company number 2590512

Registered office Nile House, Nile Street
Brighton
East Sussex
BN1 1PH

Business address Sinon House, The Hyde
Lower Bevendean, Brighton
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Secure Office Shredding Limited

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Secure Office Shredding Limited

Director's Report **Year ended 30 April 1999**

The director presents his report and financial statements for the year ended 30 April 1999.

Directors

The following directors have held office since 1 May 1998:

J P Blundell	(Appointed 7 January 1999)
M T M Major	(Resigned 7 January 1999)

Principal activities

The principal activity of the company during the year was the provision of secure shredding services and the sale of waste paper for recycling

Year 2000

We identified the key risks to the business and developed a plan to minimise their impact. We considered not only our own systems but also those of our major suppliers and customers. Although no organisation can guarantee that no year 2000 problems would arise, we believe that, having identified and removed the major risks to the business in accordance with the plan we have developed, it would be possible to quickly resolve any such problems as may arise without significant additional costs.

As of the date of this report, no Year 2000 problems have been encountered by the company.

Directors' interests

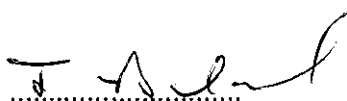
The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	30 April 1999	1 May 1998
J P Blundell	-	-

	Preferences shares of £ 1 each	
	30 April 1999	1 May 1998
J P Blundell	-	-

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

On behalf of the board


.....
J P Blundell
Director
.....20.6.99.....

Secure Office Shredding Limited

Profit and Loss Account Year ended 30 April 1999

		1999	1998
	Notes	£	£
Turnover		264,764	308,753
Cost of sales		<u>(184,449)</u>	<u>(222,337)</u>
Gross profit		80,315	86,416
Administrative expenses		<u>(101,262)</u>	<u>(100,246)</u>
Operating loss	2	<u>(20,947)</u>	<u>(13,830)</u>
Interest payable and similar charges	3	<u>(4,728)</u>	<u>(5,835)</u>
Loss on ordinary activities before taxation		(25,675)	(19,665)
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
Loss for the year	10	<u><u>(25,675)</u></u>	<u><u>(19,665)</u></u>

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.

Secure Office Shredding Limited

Balance Sheet As at 30 April 1999

	Notes	£	1999 £	£	1998 £
Fixed assets					
Tangible assets	5		103,486		84,704
Current assets					
Stocks		6,013		4,680	
Debtors	6	48,609		50,144	
Cash at bank and in hand		123		82	
		54,745		54,906	
Creditors: amounts falling due within one year	7	(147,047)		(96,875)	
Net current liabilities			(92,302)		(41,969)
Total assets less current liabilities			11,184		42,735
Creditors: amounts falling due after more than one year	8		-		(5,876)
			11,184		36,859
Capital and reserves					
Called up share capital	9		101,000		101,000
Profit and loss account	10		(89,816)		(64,141)
Shareholders' funds	11		11,184		36,859
Equity interests			(88,816)		(63,141)
Non-equity interests			100,000		100,000
			11,184		36,859

Secure Office Shredding Limited

Balance Sheet

As at 30 April 1999

In preparing these accounts:

- (a) The director is of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The director acknowledges his responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The accounts were approved by the Board on20.6.99.....



J P Blundell

Director

Secure Office Shredding Limited

Notes to the Accounts Year ended 30 April 1999

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The annual accounts have also been prepared on a going concern basis notwithstanding the net liabilities at the balance sheet date on the basis that the company will continue to be supported by its bank and trade creditors.

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 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:

Short leasehold improvements	20% on cost
Plant and machinery	15% to 25% on cost
Fixtures, fittings & equipment	15% on reducing balance
Motor vehicles	25% on reducing balance

1.4 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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 Stocks

Stock is valued at the lower of cost and net realisable value.

In respect of raw materials, cost means purchase price plus transport and handling costs on a first in first out basis. In respect of work in progress and finished goods, cost includes direct materials, labour and an appropriate element of direct overheads.

Net realisable value means selling price less costs to completion and selling costs.

1.6 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

Secure Office Shredding Limited

Notes to the Accounts Year ended 30 April 1999

2	Operating loss	1999	1998
		£	£
	Operating loss is stated after charging:		
	Depreciation of tangible assets	28,912	30,708
	Operating lease rentals		
	- Plant and machinery	7,550	5,027
	Director's emoluments	17,917	27,800
		<u> </u>	<u> </u>

3	Interest payable	1999	1998
		£	£
	Interest payable includes:		
	Lease finance charges	583	448
		<u> </u>	<u> </u>

4 Taxation

No corporation tax charge arises on the results for the year.

Secure Office Shredding Limited

Notes to the Accounts Year ended 30 April 1999

5 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 May 1998	25,461	190,257	215,718
Additions	-	50,069	50,069
Disposals	-	(12,500)	(12,500)
At 30 April 1999	25,461	227,826	253,287
Depreciation			
At 1 May 1998	21,933	109,081	131,014
On disposals	-	(10,125)	(10,125)
Charge for the year	848	28,064	28,912
At 30 April 1999	22,781	127,020	149,801
Net book value			
At 30 April 1999	2,680	100,806	103,486
At 30 April 1998	3,528	81,176	84,704

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

	Plant and machinery £
Net book values	
At 30 April 1999	11,893
At 30 April 1998	15,212
Depreciation charge for the year	
30 April 1999	3,319
30 April 1998	1,383

Secure Office Shredding Limited

Notes to the Accounts Year ended 30 April 1999

6 Debtors	1999 £	1998 £
Trade debtors	38,536	45,513
Other debtors	10,073	4,631
	<u>48,609</u>	<u>50,144</u>
7 Creditors: amounts falling due within one year	1999 £	1998 £
Bank loans and overdrafts	31,185	31,372
Net obligations under finance lease and hire purchase contracts	1,530	9,145
Trade creditors	82,064	20,608
Amounts owed to group undertakings and undertakings in which the company has a participating interest	-	4,925
Taxation and social security	2,192	14,677
Other creditors	30,076	16,148
	<u>147,047</u>	<u>96,875</u>

The bank loan and overdraft are secured by a fixed and floating charge over the company's assets.

Secure Office Shredding Limited

Notes to the Accounts Year ended 30 April 1999

8 Creditors: amounts falling due after more than one year	1999 £	1998 £
Bank loans	-	4,257
Net obligations under finance leases and hire purchase agreements	-	1,619
	<u>-</u>	<u>5,876</u>
Analysis of loans		
Wholly repayable within five years	3,943	10,770
Included in current liabilities	(3,943)	(6,513)
	<u>-</u>	<u>4,257</u>
Loan maturity analysis		
Between one and two years	3,943	6,513
Between two and five years	-	4,257
	<u>-</u>	<u>-</u>
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	1,640	9,838
Repayable between one and five years	-	1,639
	<u>1,640</u>	<u>11,477</u>
Finance charges and interest allocated to future accounting periods	(110)	(713)
	<u>1,530</u>	<u>10,764</u>
Included in liabilities falling due within one year	(1,530)	(9,145)
	<u>-</u>	<u>1,619</u>

Secure Office Shredding Limited

Notes to the Accounts Year ended 30 April 1999

9 Share capital	1999 £	1998 £
Authorised		
1,000 Ordinary shares of £ 1 each	1,000	1,000
100,000 Preferences shares of £ 1 each	100,000	100,000
	<u>101,000</u>	<u>101,000</u>
 Allotted, called up and fully paid		
1,000 Ordinary shares of £ 1 each	1,000	1,000
100,000 Preferences shares of £ 1 each	100,000	100,000
	<u>101,000</u>	<u>101,000</u>

The holders of the redeemable preference shares are not entitled to interest and possess no voting rights. On a winding up they shall be entitled to repayment at par, ahead of the ordinary shareholders.

10 Statement of movements on profit and loss account

	£
Balance at 1 May 1998	(64,141)
Retained loss for the year	(25,675)
	<u>(89,816)</u>
Balance at 30 April 1999	

11 Reconciliation of movements in shareholders' funds	1999 £	1998 £
Loss for the financial year	(25,675)	(19,665)
Opening shareholders' funds	36,859	56,524
	<u>11,184</u>	<u>36,859</u>
Closing shareholders' funds		

13 Control

The company is an 85% subsidiary of Santoil Limited, which itself is under the control of Messrs Blundell and Ormiston who are the company's sole Directors and shareholders.

Secure Office Shredding Limited

Notes to the Accounts **Year ended 30 April 1999**

14 Related party transactions

During the year the company incurred a management charge from Nevbright Limited of £6,000. At 30 April 1999 the balance due to this company was £4,717.

During the year the company incurred a rent charge from Gloucester Holdings (Brighton) Limited of £14,000. At 30 April 1999 the balance owed to this company was £7,481.

Mr J P Blundell is a Director and shareholder in both Nevbright Limited and Gloucester Holdings (Brighton) Limited.