

Company Registration No. 4282969 (England and Wales)

**HAWKESWOOD METAL RECYCLING LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 30 APRIL 2007**

WEDNESDAY



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23/01/2008  
COMPANIES HOUSE

# **HAWKESWOOD METAL RECYCLING LIMITED**

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# HAWKESWOOD METAL RECYCLING LIMITED

## DIRECTOR'S REPORT

**FOR THE YEAR ENDED 30 APRIL 2007**

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The director presents his report and financial statements for the year ended 30 April 2007

### Principal activities and review of the business

The principal activity of the company continued to be that of metal recycling

The results for the year and the financial position at the year end were considered satisfactory by the director who expected continued growth in the foreseeable future

The director is not aware of any principal risks or uncertainties involved in the business

### Results and dividends

The results for the year are set out on page 4

An ordinary dividend was paid amounting to £623,000

### Future developments

There were no important events that have occurred since the year end

The company is not involved in any research and development activities

The company's aim is for future growth based on further investment in its core activities

### Director

The following director has held office since 1 May 2006

W A Hawkeswood

### Director's interests

The director's interest in the shares of the company was as stated below

	Ordinary shares of £1 each	
	30 April 2007	1 May 2006
W A Hawkeswood	999	999

### Charitable donations

	2007	2006
	£	£

During the year the company made the following payments

Charitable donations	10,025	11,000
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### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Trevor Jones & Co be reappointed as auditors of the company will be put to the Annual General Meeting

# HAWKESWOOD METAL RECYCLING LIMITED

## DIRECTOR'S REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 APRIL 2007**

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### Director's responsibilities

The director is responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 director is 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.

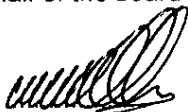
The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of disclosure to auditor

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



W A Hawkeswood

Director

28/8/07

# **HAWKESWOOD METAL RECYCLING LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO HAWKESWOOD METAL RECYCLING LIMITED**

### **UNDER SECTION 247B OF THE COMPANIES ACT 1985 UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 4 to 18, together with the financial statements of Hawkeswood Metal Recycling Limited for the year ended 30 April 2007 prepared under section 226 of the Companies Act 1985

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated accounts 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, for our audit work, for this report, or for the opinions we have formed.

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

The director is responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

#### **Basis of audit opinion**

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

#### **Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

*Trevor Jones & Co*

**Trevor Jones & Co**

Chartered Accountants

**Registered Auditor**

*23/8/07*

Old Bank Chambers  
582-586 Kingsbury Road  
Erdington  
Birmingham  
B24 9ND

# HAWKESWOOD METAL RECYCLING LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2007

	Notes	2007 £	2006 £
Gross profit		3,342,519	2,434,725
Administrative expenses		(2,564,837)	(1,358,204)
Operating profit	2	777,682	1,076,521
Other interest receivable and similar income		8,811	1,573
Interest payable and similar charges	4	(26,145)	(21,181)
Profit on ordinary activities before taxation		760,348	1,056,913
Tax on profit on ordinary activities	5	(235,560)	(381,647)
Profit for the year	16	524,788	675,266

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

# HAWKESWOOD METAL RECYCLING LIMITED

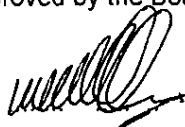
## ABBREVIATED BALANCE SHEET

AS AT 30 APRIL 2007

	Notes	2007 £	£	2006 £	£
<b>Fixed assets</b>					
Intangible assets	7	105,000		112,000	
Tangible assets	8	1,274,933		1,073,050	
		<u>1,379,933</u>		<u>1,185,050</u>	
<b>Current assets</b>					
Stocks	9	893,325		986,630	
Debtors	10	1,530,422		900,732	
Cash at bank and in hand		321,527		69,883	
		<u>2,745,274</u>		<u>1,957,245</u>	
<b>Creditors amounts falling due within one year</b>	11	<u>(2,795,865)</u>		<u>(1,698,300)</u>	
<b>Net current (liabilities)/assets</b>		<u>(50,591)</u>		<u>258,945</u>	
<b>Total assets less current liabilities</b>		<u>1,329,342</u>		<u>1,443,995</u>	
<b>Creditors amounts falling due after more than one year</b>	12	(214,582)		(247,023)	
<b>Provisions for liabilities</b>	13	(79,000)		(63,000)	
		<u>1,035,760</u>		<u>1,133,972</u>	
<b>Capital and reserves</b>					
Called up share capital	15	1,000		1,000	
Profit and loss account	16	1,034,760		1,132,972	
<b>Shareholders' funds</b>	17	<u>1,035,760</u>		<u>1,133,972</u>	

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

Approved by the Board and authorised for issue on 23/4/07



W A Hawkeswood  
Director

# HAWKESWOOD METAL RECYCLING LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2007

	£	2007 £	£	2006 £
<b>Net cash inflow from operating activities</b>		1,288,499		928,460
<b>Returns on investments and servicing of finance</b>				
Interest received	8,811		1,573	
Interest paid	(26,145)		(21,181)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(17,334)		(19,608)
<b>Taxation</b>		(319,185)		(159,712)
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(335,655)		(413,389)	
Receipts from sales of tangible assets	1,001		45,295	
<b>Net cash outflow for capital expenditure</b>		(334,654)		(368,094)
<b>Equity dividends paid</b>		(623,000)		(520,000)
<b>Net cash outflow before management of liquid resources and financing</b>		(5,674)		(138,954)
<b>Financing</b>				
New long term bank loan	-		230,000	
Repayment of long term bank loan	(17,715)		(12,725)	
Capital element of hire purchase contracts	(111,659)		(130,903)	
<b>Net cash (outflow)/inflow from financing</b>		(129,374)		86,372
<b>Decrease in cash in the year</b>		(135,048)		(52,582)



# HAWKESWOOD METAL RECYCLING LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2007

1	Reconciliation of operating profit to net cash inflow from operating activities	2007	2006
		£	£
	Operating profit	777,682	1,076,521
	Depreciation of tangible assets	272,960	232,858
	Amortisation of intangible assets	7,000	7,000
	(Profit)/loss on disposal of tangible assets	(189)	4,665
	Decrease/(increase) in stocks	93,305	(631,349)
	Increase in debtors	(629,690)	(221,330)
	Increase in creditors within one year	767,431	460,095
	<b>Net cash inflow from operating activities</b>	<b>1,288,499</b>	<b>928,460</b>

2	Analysis of net debt	1 May 2006	Cash flow	Other non-cash changes	30 April 2007
		£	£	£	£
	Net cash				
	Cash at bank and in hand	69,883	251,644	-	321,527
	Bank overdrafts	-	(386,692)	-	(386,692)
		<u>69,883</u>	<u>(135,048)</u>	<u>-</u>	<u>(65,165)</u>
	Bank deposits	-	-	-	-
	Debt				
	Finance leases	(128,260)	(28,341)	-	(156,601)
	Debts falling due within one year	(16,000)	(1,070)	-	(17,070)
	Debts falling due after one year	(201,275)	18,785	-	(182,490)
		<u>(345,535)</u>	<u>(10,626)</u>	<u>-</u>	<u>(356,161)</u>
	<b>Net debt</b>	<b>(275,652)</b>	<b>(145,674)</b>	<b>-</b>	<b>(421,326)</b>

3	Reconciliation of net cash flow to movement in net debt	2007	2006
		£	£
	Decrease in cash in the year	(135,048)	(52,582)
	Cash inflow from increase in debt and lease financing	(10,626)	(225,372)
	<b>Movement in net debt in the year</b>	<b>(145,674)</b>	<b>(277,954)</b>
	Opening net (debt)/funds	(275,652)	2,302
	<b>Closing net debt</b>	<b>(421,326)</b>	<b>(275,652)</b>

# HAWKESWOOD METAL RECYCLING LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 APRIL 2007

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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

#### 1.3 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life which does not exceed 20 years

#### 1.4 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

Land and buildings Freehold	2% on cost
Tenants improvements to Leasehold Premises	None (see below)
Plant and machinery	10%- 20% on cost
Fixtures, fittings & equipment	25% on cost
Motor vehicles	15% - 25% on cost

No depreciation has been charged on the tenants improvement to the leasehold premises because the premises are in the course of construction

#### 1.5 Leasing and hire purchase commitments

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

#### 1.6 Stock

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

#### 1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable

#### 1.8 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

#### 1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account

# HAWKESWOOD METAL RECYCLING LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2007

<b>2</b>	<b>Operating profit</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging		
	Amortisation of intangible assets	7,000	7,000
	Depreciation of tangible assets	272,960	232,858
	Loss on disposal of tangible assets	-	4,665
	Loss on foreign exchange transactions	2,614	-
	Auditors' remuneration	12,485	13,235
	and after crediting		
	Profit on disposal of tangible assets	(189)	-
	Profit on foreign exchange transactions	-	(19,965)
		<u>          </u>	<u>          </u>
<b>3</b>	<b>Investment income</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	Bank interest	8,810	1,549
	Other interest	1	24
		<u>          </u>	<u>          </u>
		8,811	1,573
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Interest payable</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	16,203	9,806
	Hire purchase interest	8,065	10,146
	On overdue tax	1,877	1,229
		<u>          </u>	<u>          </u>
		26,145	21,181
		<u>          </u>	<u>          </u>

# HAWKESWOOD METAL RECYCLING LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2007

5	Taxation	2007	2006
		£	£
	<b>Domestic current year tax</b>		
	U K corporation tax	219,560	318,665
	Adjustment for prior years	-	(18)
		<u>219,560</u>	<u>318,647</u>
	<b>Current tax charge</b>		
	<b>Deferred tax</b>		
	Deferred tax charge credit current year	16,000	63,000
		<u>235,560</u>	<u>381,647</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>760,348</u>	<u>1,056,913</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 29.96% (2006 - 30.00%)	<u>227,800</u>	<u>317,074</u>
	Effects of		
	Non deductible expenses	3,354	875
	Depreciation add back	83,819	73,387
	Capital allowances	(95,413)	(72,689)
		<u>(8,240)</u>	<u>1,573</u>
	<b>Current tax charge</b>	<u>219,560</u>	<u>318,647</u>
6	Dividends	2007	2006
		£	£
	Ordinary interim paid	<u>623,000</u>	<u>520,000</u>

# HAWKESWOOD METAL RECYCLING LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2007

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### 7 Intangible fixed assets

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 May 2006 & at 30 April 2007	140,000
	<hr/>
<b>Amortisation</b>	
At 1 May 2006	28,000
Charge for the year	7,000
	<hr/>
At 30 April 2007	35,000
	<hr/>
<b>Net book value</b>	
At 30 April 2007	105,000
	<hr/>
At 30 April 2006	112,000
	<hr/>

# HAWKESWOOD METAL RECYCLING LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2007

### 8 Tangible fixed assets

	Land and buildings Freehold	Tenants improvements to Leasehold Premises	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 May 2006	271,398	-	874,977	89,591	355,887	1,591,853
Additions	-	121,310	115,413	8,870	230,062	475,655
Disposals	-	-	(1)	(6,662)	(2,938)	(9,601)
At 30 April 2007	271,398	121,310	990,389	91,799	583,011	2,057,907
<b>Depreciation</b>						
At 1 May 2006	3,166	-	342,674	51,457	121,506	518,803
On disposals	-	-	-	(6,661)	(2,128)	(8,789)
Charge for the year	5,428	-	171,014	18,649	77,869	272,960
At 30 April 2007	8,594	-	513,688	63,445	197,247	782,974
<b>Net book value</b>						
At 30 April 2007	262,804	121,310	476,701	28,354	385,764	1,274,933
At 30 April 2006	268,232	-	532,303	38,134	234,381	1,073,050

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

	Plant and machinery £
<b>Net book values</b>	
At 30 April 2007	319,027
At 30 April 2006	245,811
<b>Depreciation charge for the year</b>	
At 30 April 2007	52,855
At 30 April 2006	58,368

# HAWKESWOOD METAL RECYCLING LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2007

9	Stocks	2007 £	2006 £
	Finished goods and goods for resale	893,325	986,630

10	Debtors	2007 £	2006 £
	Trade debtors	1,080,316	847,123
	Other debtors	393,970	-
	Prepayments and accrued income	56,136	53,609
		1,530,422	900,732

11	Creditors amounts falling due within one year	2007 £	2006 £
	Bank loans and overdrafts	403,762	16,000
	Net obligations under hire purchase contracts	124,509	82,512
	Trade creditors	823,025	859,534
	Corporation tax	219,560	319,185
	Other taxes and social security costs	12,629	17,613
	Director's current accounts	-	3,925
	Other creditors	1,257	122,468
	Accruals and deferred income	1,211,123	277,063
		2,795,865	1,698,300
	Debt due in one year or less	17,070	16,000

Secured creditors amount to £528,271 (2006- £98,512)

# HAWKESWOOD METAL RECYCLING LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2007

12 Creditors' amounts falling due after more than one year	2007 £	2006 £
Bank loans	182,490	201,275
Net obligations under hire purchase contracts	32,092	45,748
	<u>214,582</u>	<u>247,023</u>
<b>Analysis of loans</b>		
Not wholly repayable within five years by instalments	99,450	123,200
Wholly repayable within five years	100,110	94,075
	<u>199,560</u>	<u>217,275</u>
Included in current liabilities	(17,070)	(16,000)
	<u>182,490</u>	<u>201,275</u>
Instalments not due within five years	<u>99,450</u>	<u>123,200</u>
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	18,435	17,300
In more than two years but not more than five years	64,605	60,775
In more than five years	<u>99,450</u>	<u>123,200</u>
Secured creditors amounted to £214,582 (2006 - £247,023)		
<b>Net obligations under hire purchase contracts</b>		
Repayable within one year	124,509	82,512
Repayable between one and five years	32,092	45,748
	<u>156,601</u>	<u>128,260</u>
Included in liabilities falling due within one year	(124,509)	(82,512)
	<u>32,092</u>	<u>45,748</u>

The company's bank loan is repayable over a ten year period by monthly instalments. Interest is charged at 2% over current bank base rate and the loan is secured by way of a first legal charge over the company's freehold premises together with a personal guarantee of the director.



# HAWKESWOOD METAL RECYCLING LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2007

### 13 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 May 2006	63,000
Profit and loss account	16,000
	<hr/>
Balance at 30 April 2007	79,000
	<hr/>

The deferred tax liability is made up as follows:

	2007 £	2006 £
Accelerated capital allowances	79,000	63,000
	<hr/>	<hr/>

### 14 Pension costs

#### Defined contribution

	2007 £	2006 £
Contributions payable by the company for the year	2,100	525
	<hr/>	<hr/>

### 15 Share capital

	2007 £	2006 £
<b>Authorised</b>		
500,000 Ordinary shares of £1 each	500,000	500,000
	<hr/>	<hr/>
<b>Allotted, called up and fully paid</b>		
1,000 Ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>

# HAWKESWOOD METAL RECYCLING LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2007

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

	Profit and loss account £
Balance at 1 May 2006	1,132,972
Profit for the year	524,788
Dividends paid	(623,000)
Balance at 30 April 2007	<u>1,034,760</u>

### 17 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Profit for the financial year	524,788	675,266
Dividends	(623,000)	(520,000)
Net (depletion in)/addition to shareholders' funds	(98,212)	155,266
Opening shareholders' funds	<u>1,133,972</u>	<u>978,706</u>
Closing shareholders' funds	<u>1,035,760</u>	<u>1,133,972</u>

### 18 Director's emoluments

	2007 £	2006 £
Emoluments for qualifying services	<u>702,562</u>	<u>53,731</u>
Emoluments disclosed above include the following amounts paid to the highest paid director		
Emoluments for qualifying services	<u>654,972</u>	<u>14,820</u>

# HAWKESWOOD METAL RECYCLING LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2007

### 19 Transactions with directors

The following directors had interest free loans during the year. The movement on these loans are as follows

	Amount outstanding 2007 £	2006 £	Maximum in year £
W A Hawkeswood	335,806	-	950,108

### 20 Employees

#### Number of employees

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

	2007 Number	2006 Number
Management and Administration	5	5
Productive	15	11
	20	16

#### Employment costs

	2007 £	2006 £
Wages and salaries	1,022,835	305,779
Social security costs	152,719	46,301
Other pension costs	2,100	525
	1,177,654	352,605

### 21 Auditors' Ethical Standards

In common with many businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements

In common with many other businesses of our size and nature we use our auditors to provide tax advice

### 22 Control

The company is under the control of Mr W Hawkeswood by virtue of his shareholding

# **HAWKESWOOD METAL RECYCLING LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2007**

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### **23 Related party transactions**

These financial statements include the following related party transactions -

- 1 Rent payable during the year to Mr A L Hawkeswood amounted to £196,667
- 2 Trade debtors include an amount of £55,956 due from Recycling Management Limited a company in which Mr W Hawkeswood is a shareholder. During the year sales amounting to £6,030,507 were made to this company

All the above transactions were incurred in the ordinary course of affairs and on normal commercial terms