

COMPANY NUMBER : 617841

REGISTRAR OF COMPANIES

HENRY MORRIS (1958) LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 1997



HENRY MORRIS (1958) LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 1997

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HENRY MORRIS (1958) LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS : B. G. Meredith (Chairman)
M. C. Meredith

SECRETARY : M. C. Meredith

REGISTERED OFFICE : Baltic Works,
Town Dock,
NEWPORT,
Gwent.
NP9 2BW

COMPANY NUMBER : 617841

BANKERS : National Westminster Bank PLC.,
High Street,
NEWPORT,
Gwent.

AUDITORS : Stephen Brown & Co.,
Chartered Accountants,
16 Gold Tops,
NEWPORT,
Gwent.
NP9 4PH

HENRY MORRIS (1958) LIMITED

DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 1997

The directors present their annual report and the audited financial statements for the year ended 31st December 1997.

ACTIVITIES

The principal activity of the company is the distribution of oil and oil products.

DIRECTORS

The present membership of the board is set out on page 1. Mr. B. G. Meredith and Mrs. M. C. Meredith served throughout the year.

The directors' interests, all beneficial, as defined by the Companies Act 1985, in the £1 ordinary shares of the company were as follows:-

	31.12.97 Number	1.1.97 Number
B. G. Meredith	1	1
M. C. Meredith	Nil	Nil

The interests of the directors in the shares of the holding company were as follows:-

	31.12.97 Number	1.1.97 Number
B. G. Meredith	5,149	5,149
M. C. Meredith	5,150	5,150

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 these 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 when it is appropriate 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.

HENRY MORRIS (1958) LIMITED
DIRECTORS' REPORT (CONTINUED)
YEAR ENDED 31ST DECEMBER 1997

AUDITORS

A resolution to re-appoint Stephen Brown & Co. as auditors will be proposed at the forthcoming Annual General Meeting.

EXEMPTION FOR SMALL COMPANY

Advantage is taken in the preparation of the directors' report of the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board of directors and signed on behalf of the board.



M. C. MEREDITH
SECRETARY

28th May 1998

REPORT OF THE AUDITORS TO THE MEMBERS OF

HENRY MORRIS (1958) LIMITED

YEAR ENDED 31ST DECEMBER 1997

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page 7.

Respective Responsibilities of Directors and Auditors

As described on page 2, the company 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 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 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 mis-statement, 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 31st December 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Stephen Brown & Co.

Stephen Brown & Co.,
Chartered Accountants and Registered Auditors,
16 Gold Tops,
NEWPORT,
Gwent.
NP9 4PH

28th May 1998

HENRY MORRIS (1958) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST DECEMBER 1997

	Note	1997 £	1996 £
Turnover		317,264	319,991
Cost of sales		(175,569)	(185,714)
Gross profit		141,695	134,277
Distribution and administrative expenses	2	(169,897)	(196,298)
Other operating income	3	(28,202)	(62,021)
Interest payable and similar charges		38,735	55,158
		(3,748)	(49)
Profit/(loss) on ordinary activities before taxation		6,785	(6,912)
Taxation	5	(1,990)	(920)
Profit/(loss) for the financial year		4,795	(7,832)
Dividends	6	-	(73,926)
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		4,795	(81,758)

The notes on pages 7 to 11 form part of these financial statements.

HENRY MORRIS (1958) LIMITED

BALANCE SHEET

AT 31ST DECEMBER 1997

	Note	1997 £	1996 £
FIXED ASSETS			
Tangible fixed assets	7	153,285	81,315
Investments	8	1,850	1,850
		<u>155,135</u>	<u>83,165</u>
CURRENT ASSETS			
Stocks		23,627	27,937
Debtors	9	65,069	94,791
Cash at bank and in hand		177	166
		<u>88,873</u>	<u>122,894</u>
CREDITORS : Amounts falling due within one year	10	(60,672)	(63,085)
		<u>28,201</u>	<u>59,809</u>
NET CURRENT ASSETS			
		<u>183,336</u>	<u>142,974</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>183,336</u>	<u>142,974</u>
CREDITORS : Amounts falling due after more than one year	11	(35,567)	-
		<u>147,769</u>	<u>142,974</u>
CAPITAL AND RESERVES			
Share capital	14	10,000	10,000
Revaluation reserve	13	60,732	61,593
Profit and loss account	13	77,037	71,381
		<u>147,769</u>	<u>142,974</u>
SHAREHOLDERS' FUNDS			
		<u>147,769</u>	<u>142,974</u>

These accounts have been prepared in accordance with the Special Provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities.

These financial statements were approved by the board of directors on 28th May 1998.

B. G. MEREDITH *B.G. Meredith*
DIRECTOR

The notes on pages 7 to 11 form part of these financial statements.

HENRY MORRIS (1958) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 1997

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings and are in accordance with applicable accounting standards. The following accounting policies have been applied:-

Turnover

Turnover represents sales to outside customers at invoiced amount less V.A.T.

Depreciation

Depreciation is provided to write off the cost or the revalued amount in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:-

Freehold land	:	Nil per annum
Freehold buildings	:	2% per annum
Motor vehicles	:	15% - 25% per annum
Plant and equipment	:	10% - 25% per annum

Stocks

Stocks are stated at the lower of cost and net realisable value and consist of goods for resale. Cost is based on purchase price on a first in, first out basis. Net realisable value relates to the anticipated selling price less further costs to disposal.

Connected undertakings

Connected undertakings are companies in which Mr. B. G. Meredith and Mrs. M. C. Meredith have an interest.

Deferred taxation

Deferred taxation is provided at current tax rates on differences arising from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements, except where the tax reduction is expected to continue for the foreseeable future.

Pension costs

The company operates a defined contribution pension scheme with the charge for the year being the actual amount paid.

HENRY MORRIS (1958) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31ST DECEMBER 1997

2. DISTRIBUTION AND ADMINISTRATIVE EXPENSES	1997 £	1996 £
Distribution costs	16,209	15,764
Administrative expenses	156,076	180,534
	<u>172,285</u>	<u>196,298</u>
Administrative expenses include:-		
Depreciation	2,143	7,735
Auditors' remuneration	3,750	3,500
Profit on sale of fixed assets	-	(2,750)
	<u></u>	<u></u>
3. OTHER OPERATING INCOME		
Sundry operating trading income	38,733	44,886
Bank and other interest receivable	2	36
Insurance claim	-	10,236
	<u>38,735</u>	<u>55,158</u>
4. INFORMATION REGARDING DIRECTORS		
Directors' emoluments consist of:		
Remuneration for management services	17,200	26,217
Directors' pension scheme	15,858	15,858
Benefits in kind	24,500	24,000
	<u>57,558</u>	<u>66,075</u>
5. TAXATION		
U.K. Corporation tax payable	<u>1,990</u>	<u>920</u>

6. DIVIDENDS

No dividend was proposed or paid in the year (1996 : £73,926 paid).

HENRY MORRIS (1958) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31ST DECEMBER 1997

7. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Motor vehicles £	Plant and equipment £	Total £
Cost or valuation				
At 1st January 1997	99,000	27,200	32,375	158,575
Additions	73,488	-	625	74,113
Disposals	-	-	-	-
At 31st December 1997	172,488	27,200	33,000	232,688
Accumulated depreciation				
At 1st January 1997	17,820	27,200	32,240	77,260
Charges	1,980	-	163	2,143
Disposals	-	-	-	-
At 31st December 1997	19,800	27,200	32,403	79,403
NET BOOK VALUE				
At 31st December 1997	152,688	-	597	153,285
At 31st December 1996	81,180	-	135	81,315

Freehold land and buildings were valued at 31st December 1997 at £172,488 by the directors. All other assets are stated at cost less depreciation to date.

The net book value of the company's freehold land and buildings under the historical cost convention at 31st December 1997 was £92,396 (1996 : £20,027).

8. INVESTMENTS

	Investments £	Total £
Cost at 1st January 1997 and 31st December 1997	1,850	1,850

All the above investments are unlisted.

The investments were valued at 31st December 1997 by the directors at £4,000 (1996 : £4,000).

9. DEBTORS

	1997 £	1996 £
Trade debtors	44,632	39,519
Due from group undertaking	9,348	3,609
Other debtors	9,018	9,121
Prepayments	2,071	3,158
Corporation tax recoverable	-	7,735
Directors loan accounts	-	31,649
	65,069	94,791

The amounts owed by directors are unsecured and interest free, the maximum amount outstanding during the year was £36,890.

HENRY MORRIS (1958) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31ST DECEMBER 1997

10. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR	1997 £	1996 £
Bank loans and overdraft (note 11)	18,340	2,898
Trade creditors	23,144	34,020
Taxation and social security	11,029	19,816
Directors loan account	120	-
Accruals	6,049	5,431
Corporation tax	1,990	920
	<u>60,672</u>	<u>63,085</u>

11. CREDITORS: Amounts falling due after more than one year

Bank loans repayable by instalments:

Within 2-5 years	21,556	-
Thereafter	14,011	-
	<u>35,567</u>	<u>-</u>

The total of secured bank borrowings amounts to £53,907 (1996 : £2,898).

12. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation:

The amounts of deferred tax provided at 21% (1996 - 24%) and unprovided in the financial statements are:-

	Provided		Unprovided	
	1997 £	1996 £	1997 £	1996 £
Surplus on revaluation	3,777	4,770	347	916
Accelerated capital allowances	(1,035)	(1,636)	-	-
Unabsorbed losses	(2,742)	(3,134)	-	-
	<u>-</u>	<u>-</u>	<u>347</u>	<u>916</u>

13. MOVEMENT IN RESERVES

	Profit and Loss Account		Revaluation Reserve	
	1997 £	1996 £	1997 £	1996 £
At 1st January 1997	71,381	152,278	61,593	62,454
Retained profit/(loss) for the year	4,795	(81,758)		
Transfer of amount equivalent to additional depreciation on revalued assets	861	861	(861)	(861)
At 31st December 1997	<u>77,037</u>	<u>71,381</u>	<u>60,732</u>	<u>61,593</u>

HENRY MORRIS (1958) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31ST DECEMBER 1997

14. CALLED UP SHARE CAPITAL

	Authorised £	1997 £	Allotted and fully paid 1996 £
10,000 ordinary shares of £1 each	10,000	10,000	10,000
	<u> </u>	<u> </u>	<u> </u>

15. CAPITAL COMMITMENTS

Capital expenditure contracted for but not
provided in the financial statements

Nil	Nil
<u> </u>	<u> </u>

16. RELATED PARTY TRANSACTIONS

The ultimate holding company is M.G.M. Partners Limited, a company incorporated in the U.K.

The shareholdings as disclosed in the directors' report show that ultimate control of the company lies with Mrs. M. C. Meredith.

Transactions during the year with Mr. S. Meredith, son of Mr. B. G. Meredith and Mrs. M. C. Meredith and trading as Stephen's Fuel Oil, were as follows:-

	1997 £	1996 £
Sales	9,812	15,023
Purchases	65,786	62,794
Sundry trading income - tank rental	9,260	12,061
	<u> </u>	<u> </u>

All of the above transactions were on an arms length basis.