

COMPANY NUMBER : 617841

REGISTRAR OF COMPANIES

HENRY MORRIS (1958) LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 1998



HENRY MORRIS (1958) LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 1998

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

HENRY MORRIS (1958) LIMITED

DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 1998

The directors present their annual report and the financial statements for the year ended 31st December 1998.

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:-

	31.12.98 Number	1.1.98 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:-

	31.12.98 Number	1.1.98 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 1998

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.

M. C. MEREDITH
SECRETARY

18th May, 1999

HENRY MORRIS (1958) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST DECEMBER 1998

	Note	1998 £	1997 £
Turnover		298,209	317,264
Cost of sales		(145,319)	(175,569)
Gross profit		152,890	141,695
Distribution and administrative expenses	2	(163,029)	(169,897)
Other operating income	3	(10,139)	(28,202)
Interest payable and similar charges		40,906	38,735
		(4,403)	(3,748)
Profit on ordinary activities before taxation		26,364	6,785
Taxation	5	(4,962)	(1,990)
Retained profit for the financial year		21,402	4,795
		=====	=====

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

HENRY MORRIS (1958) LIMITED

BALANCE SHEET

AT 31ST DECEMBER 1998

	Note	1998 £	1997 £
FIXED ASSETS			
Tangible fixed assets	6	163,398	153,285
Investments	7	1,850	1,850
		<u>165,248</u>	<u>155,135</u>
CURRENT ASSETS			
Stocks		28,170	23,627
Debtors	8	65,091	65,069
Cash at bank and in hand		1,720	177
		<u>94,981</u>	<u>88,873</u>
CREDITORS : Amounts falling due within one year	9	(53,726)	(60,672)
NET CURRENT ASSETS		<u>41,255</u>	<u>28,201</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		206,503	183,336
CREDITORS : Amounts falling due after more than one year	10	(37,332)	(35,567)
		<u>169,171</u>	<u>147,769</u>
CAPITAL AND RESERVES			
Share capital	13	10,000	10,000
Revaluation reserve	12	59,871	60,732
Profit and loss account	12	99,300	77,037
SHAREHOLDERS' FUNDS		<u>169,171</u>	<u>147,769</u>

For the year in question, the company was entitled to exemption from an audit under Section 249A(1) of the Companies Act 1985. No notices have been deposited under Section 249B(2) of the Act in relation to the accounts for the financial year. The directors acknowledge their responsibilities for:-

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985; and
- 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 for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of that Act relating to financial statements, as far as applicable to the company.

The accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities.

These financial statements were approved by the Board of Directors on 18th May 1999

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 1998

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 1998

2. DISTRIBUTION AND ADMINISTRATIVE EXPENSES	1998 £	1997 £
Distribution costs	17,484	16,209
Administrative expenses	145,545	153,688
	<u>163,029</u>	<u>169,897</u>
Administrative expenses include:-		
Depreciation	4,982	2,143
Auditors' remuneration	-	3,750
Profit on sale of fixed assets	(3,495)	-
	<u></u>	<u></u>
3. OTHER OPERATING INCOME		
Sundry operating trading income	40,903	38,733
Bank and other interest receivable	3	2
	<u>40,906</u>	<u>38,735</u>
4. INFORMATION REGARDING DIRECTORS		
Directors' emoluments consist of:		
Remuneration for management services	16,350	17,200
Directors' pension scheme	15,905	15,858
Benefits in kind	24,000	24,500
	<u>56,255</u>	<u>57,558</u>
5. TAXATION		
U.K. Corporation tax payable	<u>4,962</u>	<u>1,990</u>

HENRY MORRIS (1958) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31ST DECEMBER 1998

6. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Motor vehicles £	Plant and equipment £	Total £
Cost or valuation				
At 1st January 1998	172,488	27,200	33,000	232,688
Additions	-	12,495	2,600	15,095
Disposals	-	(15,200)	(2,505)	(17,705)
At 31st December 1998	172,488	24,495	33,095	230,078
Accumulated depreciation				
At 1st January 1998	19,800	27,200	32,403	79,403
Charges	1,980	2,499	503	4,982
Disposals	-	(15,200)	(2,505)	(17,705)
At 31st December 1998	21,780	14,499	30,401	66,680
NET BOOK VALUE				
At 31st December 1998	150,708	9,996	2,694	163,398
At 31st December 1997	152,688	-	597	153,285

Freehold land and buildings were valued at 31st December 1998 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 1998 was £91,277 (1997 : £92,396).

7. INVESTMENTS

	Investments £	Total £
Cost at 1st January 1998 and 31st December 1998	1,850	1,850

All the above investments are unlisted.

The investments were valued at 31st December 1998 by the directors at £4,000 (1997 : £4,000).

8. DEBTORS

	1998 £	1997 £
Trade debtors	36,039	44,632
Due from group undertaking	15,315	9,348
Other debtors	11,031	9,018
Prepayments	1,535	2,071
Directors loan accounts	1,171	-
	65,091	65,069

The amounts owed by directors are unsecured and interest free, the maximum amount outstanding during the year was £1,171.

HENRY MORRIS (1958) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31ST DECEMBER 1998

9. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR	1998 £	1997 £
Bank loans and overdraft (note 10)	2,880	18,340
Trade creditors	28,963	23,144
Taxation and social security	9,895	11,029
Directors loan account	-	120
Hire purchase	2,916	-
Accruals	4,110	6,049
Corporation tax	4,962	1,990
	<u>53,726</u>	<u>60,672</u>

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

Bank loans repayable by instalments:

Within 2-5 years	22,560	21,556
Thereafter	10,153	14,011
Hire purchase instalments	4,619	-
	<u>37,332</u>	<u>35,567</u>

The total of secured bank borrowings amounts to £35,593 (1997 : £53,907).

11. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation:

The amounts of deferred tax provided at 21% (1997 - 21%) and unprovided in the financial statements are:-

	Provided		Unprovided	
	1998 £	1997 £	1998 £	1997 £
Surplus on revaluation	2,665	3,777	671	347
Accelerated capital allowances	77	(1,035)	-	-
Unabsorbed losses	(2,742)	(2,742)	-	-
	<u>-</u>	<u>-</u>	<u>671</u>	<u>347</u>

12. MOVEMENT IN RESERVES

	Profit and Loss Account		Revaluation Reserve	
	1998 £	1997 £	1998 £	1997 £
At 1st January 1998	77,037	71,381	60,732	61,593
Retained profit for the year	21,402	4,795	-	-
Transfer of amount equivalent to additional depreciation on revalued assets	861	861	(861)	(861)
At 31st December 1998	<u>99,300</u>	<u>77,037</u>	<u>59,871</u>	<u>60,732</u>

HENRY MORRIS (1958) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31ST DECEMBER 1998

13. CALLED UP SHARE CAPITAL

	Authorised	Allotted and fully paid	
	£	1998 £	1997 £
10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

14. CAPITAL COMMITMENTS

Capital expenditure contracted for but not provided in the financial statements	<u>Nil</u>	<u>Nil</u>
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15. 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:-

	1998 £	1997 £
Sales	9,682	9,812
Purchases	55,669	65,786
Sundry trading income - tank rental	9,116	9,260
Administration charge	<u>4,000</u>	<u>-</u>

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