


1607188

 ERNST & YOUNG

# **Jordans (Newhaven) Limited**

## **Report and Accounts**

31 March 1999



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# Jordans (Newhaven) Limited

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Registered No. 1607188

## **DIRECTORS**

Mrs J E Stevenson  
Mrs E J Foote  
Mr G S Colwell  
Mrs W A Harding  
Mrs S A Cooper

## **SECRETARY**

Mrs J E Stevenson

## **AUDITORS**

Ernst & Young  
Wessex House  
19 Threefield Lane  
Southampton  
SO14 3QB

## **BANKERS**

Barclays Bank plc  
Portsmouth City Business Centre  
3 Guildhall Walk  
Portsmouth  
PO1 1BT

## **SOLICITORS**

Blake Lapthorn  
New Court  
1 Barnes Wallis Road  
Segensworth  
Fareham  
PO15 5UA

## **REGISTERED OFFICE**

Dundas Spur  
Dundas Lane  
Portsmouth  
PO3 5NX

 **ERNST & YOUNG**

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 March 1999.

**RESULTS AND DIVIDENDS**

The trading loss for the year, after taxation, amounted to £276,289 (1998: £177,701). The directors do not recommend the payment of a dividend (1998: £Nil).

**PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

The company's principal activity during the year continued to be the processing and sale of scrap metals.

**DIRECTORS AND THEIR INTERESTS**

The directors at 31 March 1999 were as follows:

Mrs J E Stevenson  
Mrs E J Foote  
Mr G S Colwell  
Mrs W A Harding  
Mrs S A Cooper

The directors had no interests in the share capital of the company at 31 March 1999 or 1 April 1998. The interests of the directors in the share capital of the parent undertaking at 31 March 1999 and 1 April 1998 are shown in those accounts.

**YEAR 2000 COMPLIANCE**

Many computer systems which express dates using only the last two digits of the year may malfunction due to the change to the Year 2000. This risk to the business relates not only to the company's computer systems, but also to some degree to those of our customers and suppliers.

The company has reviewed its computer systems for the impact of the Year 2000 date change. An impact analysis has been prepared to identify the major risks, and action plans have been developed to address these in advance of critical dates. The plans give priority to the systems which could have significant financial or legal impact if they were to fail.

The main systems affected are the accounting and management information systems, which are Year 2000 compliant.

The company has requested from major customers, suppliers and other trading partners with whom information is exchanged electronically, confirmation that their relevant systems are Year 2000 compliant.

The issue is complex, and no business can guarantee that there will be no Year 2000 problems. However, the board believes that its plans and the resources allocated are appropriate and adequate to address the issue.

DIRECTORS' REPORT

**AUDITORS**

Grant Thornton retired as auditors on 4 June 1999 and Ernst & Young were appointed in their place. A resolution to re-appoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

**By order of the Board**

J. E. Stevenson .

J E Stevenson  
Secretary

**02 NOV 1999**

 **ERNST & YOUNG**

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE  
ACCOUNTS

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; and
- 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.

**REPORT OF THE AUDITORS**  
**to the members of Jordans (Newhaven) Limited**

We have audited the accounts on pages 6 to 14, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 8 and 9.

**Respective responsibilities of directors and auditors**

As described on page 4 the company's directors are responsible for the preparation of the 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**

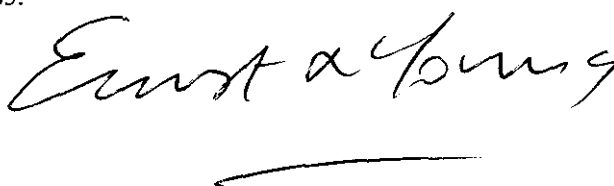
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by 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 affairs of the company as at 31 March 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young  
Registered Auditor  
Southampton



**15 NOV 1999**

# Jordans (Newhaven) Limited

## PROFIT AND LOSS ACCOUNT for the year ended 31 March 1999

	Notes	1999 £	1998 £
<b>TURNOVER</b>	2	5,397,203	6,161,231
Cost of sales		3,619,186	4,417,778
<b>GROSS PROFIT</b>		1,778,017	1,743,453
Administrative expenses		1,939,651	1,944,063
		(161,634)	(200,610)
Other operating income		13,000	13,000
<b>OPERATING LOSS</b>	3	(148,634)	(187,610)
Amounts written off investments	9	(160,000)	(40,000)
		(308,634)	(227,610)
Interest receivable and similar income		708	3,953
Interest payable and similar charges	6	(18,008)	(7,270)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(325,934)	(230,927)
Tax credit on loss on ordinary activities	7	49,645	53,226
<b>LOSS RETAINED FOR THE FINANCIAL YEAR</b>		(276,289)	(177,701)

There were no recognised gains or losses other than the loss attributable to shareholders of the company of £276,289 for the year ended 31 March 1999 and £177,701 for the year ended 31 March 1998.

# Jordans (Newhaven) Limited

## BALANCE SHEET

at 31 March 1999

	Notes	1999 £	1998 £
<b>FIXED ASSETS</b>			
Tangible assets	8	825,961	957,568
Investments	9	-	160,000
		<u>825,961</u>	<u>1,117,568</u>
<b>CURRENT ASSETS</b>			
Stocks	10	237,053	390,308
Debtors	11	396,074	358,937
Cash at bank and in hand		125,994	9,782
		<u>759,121</u>	<u>759,027</u>
<b>CREDITORS: amounts falling due within one year</b>	12	744,523	698,278
		<u>14,598</u>	<u>60,749</u>
<b>NET CURRENT ASSETS</b>			
		<u>840,559</u>	<u>1,178,317</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
<b>CREDITORS: amounts falling due after more than one year</b>			
Obligations under hire purchase contracts	13	205,732	267,201
		<u>634,827</u>	<u>911,116</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	2	2
Profit and loss account	15	634,825	911,114
		<u>634,827</u>	<u>911,116</u>
<b>SHAREHOLDERS' FUNDS - equity interests</b>			
		<u>634,827</u>	<u>911,116</u>

The accounts were approved by the Board of Directors on 2/11/1999

Director J. E. Stevenson.



NOTES TO THE ACCOUNTS

at 31 March 1999

1. ACCOUNTING POLICIES

*Accounting convention*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

*Cash flow statement*

The company has utilised the exemptions provided under Financial Reporting Standard No.1 and has not presented a cash flow statement. The cash flow statement has been presented in the group accounts of the ultimate parent undertaking.

*Depreciation*

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset over its expected useful life, as follows:

Leasehold buildings	-	Over the term of the lease
Plant and machinery	-	25% reducing balance
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	15% reducing balance
Computer equipment	-	3 years

*Investments*

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

*Stocks*

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition and net realisable value, as follows:

Raw materials, consumables and goods for resale - purchase cost on a first-in, first-out basis.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

*Deferred taxation*

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Deferred tax assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

*Leasing and hire purchase commitments*

Assets held under hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the hire purchase contracts are included as liabilities in the balance sheet.

The interest element of the rental obligations is charged to the profit and loss account over the periods of the hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

# Jordans (Newhaven) Limited

## NOTES TO THE ACCOUNTS

at 31 March 1999

### 1. ACCOUNTING POLICIES (continued)

#### *Leasing and hire purchase commitments (continued)*

Rentals paid under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

#### *Pensions*

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

### 2. TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties. The turnover and pre-tax loss are attributable to one continuing activity, that of the processing and sale of scrap metals.

An analysis of turnover by geographical market is given below:

	1999 £	1998 £
United Kingdom	1,509,780	2,128,847
EC	3,887,423	4,032,384
	<u>5,397,203</u>	<u>6,161,231</u>

### 3. OPERATING LOSS

This is stated after charging/(crediting):

	1999 £	1998 £
Depreciation of owned fixed assets	160,884	194,914
Depreciation of assets held under hire purchase contracts	108,167	117,222
	<u>269,051</u>	<u>312,136</u>
Auditors' remuneration - audit services	2,600	2,225
- non audit services	1,500	1,575
Hire of plant	7,167	28,288
Other operating lease rentals	91,000	91,000
Rent receivable	(13,000)	(13,000)
Loss/(profit) on disposal of tangible fixed assets	509	(1,627)
	<u></u>	<u></u>

### 4. DIRECTORS' REMUNERATION

	1999 £	1998 £
Emoluments	-	39,727
	<u></u>	<u></u>
Company contributions paid to money purchase pension schemes	-	20,000
	<u></u>	<u></u>

# Jordans (Newhaven) Limited

## NOTES TO THE ACCOUNTS

at 31 March 1999

### 5. STAFF COSTS

	1999 £	1998 £
Wages and salaries	213,993	241,628
Social security costs	20,515	20,027
Other pension costs	4,844	24,018
	<u>239,352</u>	<u>285,673</u>

The average monthly number of employees during the year was as follows:

	1999 No.	1998 No.
Direct labour	8	8
Office	2	3
Directors	5	5
	<u>15</u>	<u>16</u>

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	1999 £	1998 £
Finance charges payable under hire purchase contracts	<u>18,008</u>	<u>7,270</u>

### 7. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	1999 £	1998 £
UK corporation tax	-	60,261
Group relief	<u>49,645</u>	<u>-</u>
	49,645	60,261
Corporation tax underprovided in prior years	-	(7,035)
	<u>49,645</u>	<u>53,226</u>

# Jordans (Newhaven) Limited

## NOTES TO THE ACCOUNTS at 31 March 1999

### 8. TANGIBLE FIXED ASSETS

	<i>Short leasehold land and buildings</i> £	<i>Plant and machinery</i> £	<i>Motor vehicles</i> £	<i>Fixtures and fittings</i> £	<i>Total</i> £
Cost or valuation:					
At 1 April 1998	35,849	2,259,519	155,872	56,834	2,508,074
Additions	-	130,754	-	21,350	152,104
Disposals	-	(11,597)	(33,541)	(4,054)	(49,192)
At 31 March 1999	35,849	2,378,676	122,331	74,130	2,610,986
Depreciation:					
At 1 April 1998	18,342	1,444,909	63,431	23,824	1,550,506
Provided during the year	3,156	236,289	19,572	10,034	269,051
Eliminated on disposal	-	(11,389)	(19,391)	(3,752)	(34,532)
At 31 March 1999	21,498	1,669,809	63,612	30,106	1,785,025
Net book value:					
At 31 March 1999	14,351	708,867	58,719	44,024	825,961
At 31 March 1998	17,507	814,610	92,441	33,010	957,568

In respect of assets acquired under hire purchase contracts :

Cost or valuation:					
At 31 March 1999	-	519,300	47,288	-	566,588
At 31 March 1998	-	438,300	47,288	-	485,588
Depreciation:					
At 31 March 1999	-	221,400	20,689	-	242,089
At 31 March 1998	-	122,100	11,822	-	133,922

# Jordans (Newhaven) Limited

## NOTES TO THE ACCOUNTS at 31 March 1999

### 9. INVESTMENTS

#### Unlisted investments

	1999 £	1998 £
Cost or valuation:		
At 1 April	200,000	200,000
Amounts written off:		
At 1 April	40,000	-
Provided during the year	160,000	40,000
At 31 March	200,000	40,000
Net book value	-	160,000

### 10. STOCKS

	1999 £	1998 £
Scrap metal	237,053	390,308

### 11. DEBTORS

	1999 £	1998 £
Trade debtors	81,166	115,990
Amounts owed by group undertakings	106,073	77,565
Other debtors	71,546	48,999
Taxation recoverable	60,261	60,261
Prepayments and accrued income	77,028	56,122
	396,074	358,937

### 12. CREDITORS: amounts falling due within one year

	1999 £	1998 £
Bank overdraft	-	132,108
Obligations under hire purchase contracts (note 13)	124,223	99,923
Trade creditors	139,386	80,991
Amounts owed to group undertakings	249,990	226,520
Corporation tax	-	7,324
Other taxes and social security costs	6,210	7,976
Other creditors	2,101	3,028
Accruals and deferred income	222,613	140,408
	744,523	698,278

# Jordans (Newhaven) Limited

## NOTES TO THE ACCOUNTS

at 31 March 1999

### 13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

The maturity of these amounts is as follows:

	1999 £	1998 £
Amounts payable:		
Within one year	144,316	117,073
In two to five years	244,185	388,501
	<u>388,501</u>	<u>505,574</u>
Less: finance charges allocated to future periods	58,546	138,450
	<u>329,955</u>	<u>367,124</u>

Hire purchase contracts are analysed as follows:

	1999 £	1998 £
Current obligations (note 12)	124,223	99,923
Non-current obligations	205,732	267,201
	<u>329,955</u>	<u>367,124</u>

### 14. SHARE CAPITAL

	1999 £	1998 £
<i>Authorised, allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

### 15. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital £	Profit and loss account £	Total shareholders' funds £
At 1 April 1997	2	1,088,815	1,088,817
Loss for the year	-	(177,701)	(177,701)
	<u>2</u>	<u>911,114</u>	<u>911,116</u>
At 1 April 1998	2	911,114	911,116
Loss for the year	-	(276,289)	(276,289)
	<u>2</u>	<u>634,825</u>	<u>634,827</u>
At 31 March 1999	2	634,825	634,827

# Jordans (Newhaven) Limited

## NOTES TO THE ACCOUNTS

at 31 March 1999

### 16. CAPITAL COMMITMENTS

The company had no capital commitments at 31 March 1999 (1998: £Nil).

### 17. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for the benefit of certain employees and directors. The assets of the scheme are administered separately by trustees in a fund independent from those of the company. The pension cost charge for the year was £4,844 (1998: £24,018).

### 18. OTHER FINANCIAL COMMITMENTS

At 31 March 1999 the company had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>	
	<i>1999</i>	<i>1998</i>
	£	£
Operating leases which expire:		
In over five years	91,000	91,000

### 19. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 1999 (1998: £Nil).

### 20. RELATED PARTY TRANSACTIONS

The company has taken exemption from FRS8 with regard to disclosure of transactions with entities which are in the same group. The group qualifies where the undertaking is a subsidiary undertaking with 90% or more of the voting rights controlled within the group. Copies of the consolidated accounts are available from the company's registered office.

### 21. PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is C D Jordan and Son Limited. It has included the company in its group accounts, copies of which are available from its registered office: Dundas Spur, Dundas Lane, Portsmouth PO3 5NX.

In the directors' opinion, the company's ultimate parent undertaking and controlling party is C D Jordan and Son Limited, a company registered in England and Wales.