

Registration number 02979819

**S B Wheeler & Sons Limited**

**Abbreviated accounts**

**for the year ended 31st October 2003**



**S B Wheeler & Sons Limited**

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## **S B Wheeler & Sons Limited**

### **Directors' report for the year ended 31st October 2003**

The directors present their report and the accounts for the year ended 31st October 2003.

#### **Principal activity and review of the business**

The principal activity of the company continued to be that of processing and sales of scrap metal.

#### **Results and dividends**

The results for the year are set out on page 4.

The directors have paid an interim dividend amounting to £200,000 and they do not recommend payment of a final dividend.

#### **Post balance sheet events**

On 11 November 2003 the company acquired the share capital of Recycled Motor Parts Limited for £65,000. S B Wheeler & Sons Limited effectively took over the running of this company as from the 1 September 2003 although they did not acquire the share capital until 11 November 2003. These accounts include all income and expenses of Recycled Motor Parts Limited from 1 September 2003.

The company purchased land at Wicks Lane, Ardleigh, Colchester on 13 November 2003 for £350,000.

On 1 February 2004 the company acquired the business of E & S Metals, ferrous and non-ferrous metal merchants, for £1,000,001.

#### **Directors and their interests**

The directors who served during the year and their interests in the company are as stated below:

	<b>Ordinary shares</b>	
	<b>31/10/03</b>	<b>01/11/02</b>
D Edwards	5,100	5,100
J Edwards	2,900	2,900
F Edwards	2,000	2,000

#### **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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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 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.

**S B Wheeler & Sons Limited**

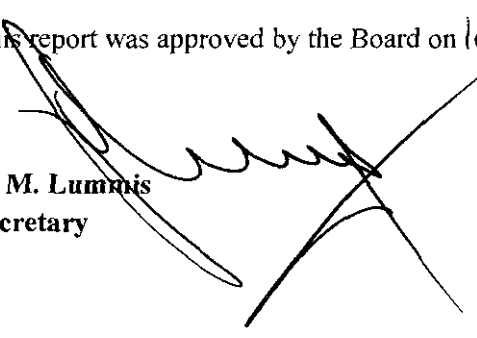
**Directors' report  
for the year ended 31st October 2003**

**Auditors**

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Stacey & Partners be reappointed as auditors of the company will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

This report was approved by the Board on 10 January 2005 and signed on its behalf by

  
A. M. Lummis  
Secretary

**Independent auditors' report to S B Wheeler & Sons Limited  
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 S B Wheeler & Sons Limited for the year ended 31st October 2003 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's shareholders those matters we are required to state to them in an auditors' report 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 and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

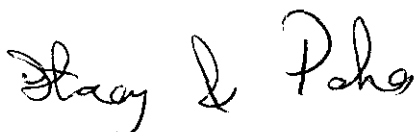
The directors are responsible for preparing abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

**Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 31st October 2003, and the abbreviated accounts on pages 4 to 18 are properly prepared in accordance with that provision.



**Stacey & Partners  
Chartered Accountants and  
Registered Auditor  
The Beeches  
30 Bridge Street  
Thetford  
Norfolk  
IP24 3AG**

*26 January 2005*

**S B Wheeler & Sons Limited**

**Abbreviated profit and loss account  
for the year ended 31st October 2003**

		<b>Continuing operations</b>	
		<b>2003</b>	<b>2002</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Gross profit</b>		2,428,462	1,805,829
Administrative expenses		(1,334,635)	(1,122,327)
<b>Operating profit</b>	<b>2</b>	1,093,827	683,502
Other interest receivable and similar income	<b>3</b>	13,242	4,515
Interest payable and similar charges	<b>4</b>	(10,479)	(12,311)
<b>Profit on ordinary activities before taxation</b>		1,096,590	675,706
Tax on profit on ordinary activities	<b>6</b>	(303,141)	(112,886)
<b>Profit on ordinary activities after taxation</b>		793,449	562,820
Dividends	<b>7</b>	(200,000)	(100,000)
<b>Retained profit for the year</b>		593,449	462,820
Retained profit brought forward		1,269,249	806,429
<b>Retained profit carried forward</b>		1,862,698	1,269,249

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 7 to 18 form an integral part of these abbreviated accounts

**S B Wheeler & Sons Limited**

**Abbreviated balance sheet  
as at 31st October 2003**

	Notes	2003		2002	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	8		57,198		-
Tangible assets	9		1,397,240		1,421,999
			<u>1,454,438</u>		<u>1,421,999</u>
<b>Current assets</b>					
Stocks	10	104,175		77,440	
Debtors	11	758,428		514,088	
Cash at bank and in hand		778,226		557,659	
		<u>1,640,829</u>		<u>1,149,187</u>	
<b>Creditors: amounts falling due within one year</b>	12	(1,131,691)		(1,156,514)	
<b>Net current assets/(liabilities)</b>			<u>509,138</u>		<u>(7,327)</u>
<b>Total assets less current liabilities</b>			1,963,576		1,414,672
<b>Creditors: amounts falling due after more than one year</b>	13		-		(49,564)
<b>Provisions for liabilities and charges</b>	14		(90,878)		(85,859)
<b>Net assets</b>			<u>1,872,698</u>		<u>1,279,249</u>
<b>Capital and reserves</b>					
Called up share capital	16		10,000		10,000
Profit and loss account			1,862,698		1,269,249
<b>Equity shareholders' funds</b>	17		<u>1,872,698</u>		<u>1,279,249</u>

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies .

The abbreviated accounts were approved by the Board on 10 January 2004 and signed on its behalf by

**D Edwards**  
**Director**



The notes on pages 7 to 18 form an integral part of these abbreviated accounts

**S B Wheeler & Sons Limited**

**Cash flow statement  
for the year ended 31st October 2003**

	Notes	2003 £	2002 £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		1,093,827	683,502
Depreciation		266,653	308,184
(Increase) in stocks		(26,735)	(29,679)
(Increase) in debtors		(244,340)	(222,121)
Increase in creditors		172,148	249,462
<b>Net cash inflow from operating activities</b>		<u>1,261,553</u>	<u>989,348</u>

**Cash flow statement**

Net cash inflow from operating activities		1,261,553	989,348
Returns on investments and servicing of finance	23	2,763	(7,796)
Taxation	23	(231,748)	(25,000)
Capital expenditure	23	(299,090)	(323,035)
		733,478	633,517
Equity dividends paid		(200,000)	(100,000)
		533,478	533,517
Financing	23	(163,736)	(170,475)
<b>Increase in cash in the year</b>		<u>369,742</u>	<u>363,042</u>

**Reconciliation of net cash flow to movement in net funds (Note 24)**

<b>Increase in cash in the year</b>	369,742	363,042
Cash outflow in debts and lease financing	163,736	170,475
Change in net funds resulting from cash flows	533,478	533,517
New finance leases and hire purchase contracts	-	(110,700)
<b>Movement in net funds in the year</b>	533,478	422,817
<b>Net funds at 1st November 2002</b>	169,338	(253,479)
<b>Net funds at 31st October 2003</b>	<u>702,816</u>	<u>169,338</u>



## **S B Wheeler & Sons Limited**

### **Notes to the abbreviated accounts for the year ended 31st October 2003**

#### **1. Accounting policies**

##### **1.1. Accounting convention**

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

##### **1.2. Turnover**

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

##### **1.3. Goodwill**

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 3 years.

##### **1.4. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Freehold property	-	2% Straight line
Property improvements	-	10% straight line
Plant and machinery	-	25% reducing balance
Motor vehicles	-	25% reducing balance

##### **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 constant periodic rates of charge on the net obligations outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

##### **1.6. Stock**

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

##### **1.7. Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

# S B Wheeler & Sons Limited

## Notes to the abbreviated accounts for the year ended 31st October 2003

..... continued

### 1.8. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

<b>2. Operating profit</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging:		
Depreciation and other amounts written off intangible assets	28,599	-
Depreciation and other amounts written off tangible assets	370,366	307,758
Auditors' remuneration	7,000	2,500
	<u>          </u>	<u>          </u>
and after crediting:		
Profit on disposal of tangible fixed assets	132,312	(426)
Profit on foreign currencies	40,477	(4,585)
	<u>          </u>	<u>          </u>
 <b>3. Interest receivable and similar income</b>	 <b>2003</b>	 <b>2002</b>
	<b>£</b>	<b>£</b>
Bank interest	13,242	4,515
	<u>          </u>	<u>          </u>
 <b>4. Interest payable and similar charges</b>	 <b>2003</b>	 <b>2002</b>
	<b>£</b>	<b>£</b>
Bank interest	2,043	1,564
Hire purchase interest	8,436	10,747
	<u>          </u>	<u>          </u>
	10,479	12,311
	<u>          </u>	<u>          </u>

**S B Wheeler & Sons Limited**

**Notes to the abbreviated accounts  
for the year ended 31st October 2003**

..... continued

**5. Employees**

<b>Number of employees</b>	<b>2003</b>	<b>2002</b>
The average monthly numbers of employees (including the directors) during the year were:		
Operatives	30	25
Administration	4	3
Directors	3	3
	<u>37</u>	<u>31</u>

<b>Employment costs</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Wages and salaries	674,052	468,811
Social security costs	63,336	43,404
	<u>737,388</u>	<u>512,215</u>

<b>5.1. Directors' emoluments</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Remuneration and other emoluments	<u>155,919</u>	<u>142,239</u>

# S B Wheeler & Sons Limited

## Notes to the abbreviated accounts for the year ended 31st October 2003

..... continued

### 6. Tax on profit on ordinary activities

Analysis of charge in period	2003 £	2002 £
<b>Current tax</b>		
UK corporation tax	298,122	164,545
<b>Total current tax charge</b>	<u>298,122</u>	<u>164,545</u>
<b>Deferred tax</b>		
Timing differences, origination and reversal	5,019	(51,659)
<b>Total deferred tax</b>	<u>5,019</u>	<u>(51,659)</u>
Tax on profit on ordinary activities	<u>303,141</u>	<u>112,886</u>

### Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30 per cent). The differences are explained below:

	2003 £	2002 £
Profit on ordinary activities before taxation	<u>1,096,590</u>	<u>675,706</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (31st October 2002 : 30%)	328,977	202,712
<b>Effects of:</b>		
Expenses not deductible for tax purposes	3,546	966
Capital allowances for period in excess of depreciation	(53,498)	(15,164)
Capital gain	19,097	-
Marginal relief	-	(23,969)
Current tax charge for period	<u>298,122</u>	<u>164,545</u>

### 7. Dividends

	2003 £	2002 £
<b>Dividends on equity shares:</b>		
Ordinary shares - interim paid	<u>200,000</u>	<u>100,000</u>

**S B Wheeler & Sons Limited**

**Notes to the abbreviated accounts  
for the year ended 31st October 2003**

..... continued

**8. Intangible fixed assets**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1st November 2002	-
Additions	85,797
At 31st October 2003	<u>85,797</u>
<b>Provision for diminution in value</b>	
At 1st November 2002	-
Charge for year	28,599
At 31st October 2003	<u>28,599</u>
<b>Net book values</b>	
At 31st October 2003	<u>57,198</u>
At 31st October 2002	<u>-</u>

**9. Tangible fixed assets**

	<b>Land and buildings freehold £</b>	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>				
At 1st November 2002	386,179	1,641,087	365,749	2,393,015
Additions	19,600	339,790	246,803	606,193
Disposals	(243,943)	(9,500)	(107,279)	(360,722)
At 31st October 2003	<u>161,836</u>	<u>1,971,377</u>	<u>505,273</u>	<u>2,638,486</u>
<b>Depreciation</b>				
At 1st November 2002	53,808	712,425	204,783	971,016
On disposals	(14,613)	(7,500)	(78,021)	(100,134)
Charge for the year	14,784	286,694	68,886	370,364
At 31st October 2003	<u>53,979</u>	<u>991,619</u>	<u>195,648</u>	<u>1,241,246</u>
<b>Net book values</b>				
At 31st October 2003	<u>107,857</u>	<u>979,758</u>	<u>309,625</u>	<u>1,397,240</u>
At 31st October 2002	<u>332,371</u>	<u>928,662</u>	<u>160,966</u>	<u>1,421,999</u>

# S B Wheeler & Sons Limited

## Notes to the abbreviated accounts for the year ended 31st October 2003

..... continued

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

Asset description	2003		2002	
	Net	Depreciation	Net	Depreciation
	book value	charge	book value	charge
	£	£	£	£
Plant and machinery	<u>144,237</u>	<u>48,078</u>	<u>297,314</u>	<u>82,046</u>
<b>10. Stocks</b>			<b>2003</b>	<b>2002</b>
			£	£
Finished goods and goods for resale			<u>104,175</u>	<u>77,440</u>
<b>11. Debtors</b>			<b>2003</b>	<b>2002</b>
			£	£
Trade debtors			691,769	405,189
Amount owed by connected companies			-	48,911
Other debtors			10,564	-
Prepayments and accrued income			<u>56,095</u>	<u>59,988</u>
			<u>758,428</u>	<u>514,088</u>

**S B Wheeler & Sons Limited**

**Notes to the abbreviated accounts  
for the year ended 31st October 2003**

..... continued

<b>12. Creditors: amounts falling due within one year</b>	<b>2003 £</b>	<b>2002 £</b>
Bank overdraft	7,869	157,044
Other loans	45,652	58,696
Net obligations under finance leases and hire purchase contracts	21,889	123,017
Trade creditors	444,311	280,717
Amounts owed to connected companies	-	1,836
Corporation tax	355,042	288,666
Other taxes and social security costs	105,855	134,594
Directors' accounts	72,047	62,557
Accruals and deferred income	79,026	49,387
	<u>1,131,691</u>	<u>1,156,514</u>

The company bank overdraft facility is secured by a charge on the assets of the company.

Net obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

<b>13. Creditors: amounts falling due after more than one year</b>	<b>2003 £</b>	<b>2002 £</b>
Net obligations under finance leases and hire purchase contracts	<u>-</u>	<u>49,564</u>
<b>Net obligations under finance leases and hire purchase contracts</b>		
Repayable within one year	21,889	123,017
Repayable between one and five years	-	49,564
	<u>21,889</u>	<u>172,581</u>

**S B Wheeler & Sons Limited**

**Notes to the abbreviated accounts  
for the year ended 31st October 2003**

..... continued

**14. Provisions for liabilities and charges**

	<b>Deferred taxation (Note 15) £</b>
At 1st November 2002	85,859
Movements in the year	5,019
At 31st October 2003	<u>90,878</u>

**15. Provision for deferred taxation**

	<b>2003 £</b>	<b>2002 £</b>
Accelerated capital allowances	<u>90,878</u>	<u>85,859</u>

**16. Share capital**

	<b>2003 £</b>	<b>2002 £</b>
<b>Authorised</b>		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
<b>Allotted, called up and fully paid</b>		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>



# S B Wheeler & Sons Limited

## Notes to the abbreviated accounts for the year ended 31st October 2003

..... continued

17. Reconciliation of movements in shareholders' funds	2003 £	2002 £
Profit for the year	793,449	562,820
Dividends	(200,000)	(100,000)
	<u>593,449</u>	<u>462,820</u>
Opening shareholders' funds	1,279,249	816,429
Closing shareholders' funds	<u>1,872,698</u>	<u>1,279,249</u>

## 18. Financial commitments

At 31st October 2003 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2003 £	2002 £	2003 £	2002 £
<b>Expiry date:</b>				
Between one and five years	<u>114,504</u>	<u>57,250</u>	<u>4,388</u>	<u>-</u>

# **S B Wheeler & Sons Limited**

## **Notes to the abbreviated accounts for the year ended 31st October 2003**

..... continued

### **19. Transactions with directors**

The company owed the following amounts to the directors.

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
D Edwards	17,818	8,465
J Edwards	21,760	40,734
F Edwards	32,469	13,358
	<u>72,047</u>	<u>62,557</u>

No interest is chargeable on the above amounts and these are repayable on demand, subject to the agreement of all the directors.

The company paid rent of £10,000 (2002 £9,733) to F Edwards in respect of business premises at Denham, Eye, Suffolk.

The company sold its freehold property at The Hythe, Colchester to D Edwards and J Edwards in the year at an open market valuation of £360,000. It also paid rent to D Edwards and J Edwards amounting to £15,000. (F Edwards was not involved in these transactions.)

### **20. Related party transactions**

During the year the company made sales of £52,134 (2002 £72,038) to, and purchased goods of £44,962 (2002 £34,090) from Wheeler Enviromental Limited, a company in which the directors have a majority shareholding. At 31 October 2003 an amount of £80,672 (2002 £47,075) was due from Wheeler Enviromental Limited. A provision for bad debts has been made in full against this debt as the company does not expect to receive payment.

The company paid rent amounting to £27,950 (2002 £nil) and purchased fixed assets of £30,000 (2002 £nil) from Roundwood Restorations Limited, a company controlled by D Edwards. At 31 October 2003 there were no amounts due to or from Roundwood Restorations Limited.

### **21. Controlling interest**

The company is controlled by D Edwards, a director of the company.

# S B Wheeler & Sons Limited

## Notes to the abbreviated accounts for the year ended 31st October 2003

..... continued

### 22. Post balance sheet events

On 11 November 2003 the company acquired the share capital of Recycled Motor Parts Limited for £65,000. S B Wheeler & Sons Limited effectively took over the running of this company as from the 1 September 2003 although they did not acquire the share capital until 11 November 2003. These accounts include all income and expenses of Recycled Motor Parts Limited from 1 September 2003.

The company purchased land at Wicks Lane, Ardleigh, Colchester on 13 November 2003 for £350,000.

On 1 February 2004 the company acquired the business of E & S Metals, ferrous and non-ferrous metal merchants, for £1,000,001.

### 23. Gross cash flows

	2003 £	2002 £
<b>Returns on investments and servicing of finance</b>		
Interest received	13,242	4,515
Interest paid	(10,479)	(12,311)
	<u>2,763</u>	<u>(7,796)</u>
<b>Taxation</b>		
Corporation tax paid	(231,748)	(25,000)
	<u></u>	<u></u>
<b>Capital expenditure</b>		
Payments to acquire intangible assets	(85,797)	-
Payments to acquire tangible assets	(606,193)	(374,035)
Receipts from sales of tangible assets	392,900	51,000
	<u>(299,090)</u>	<u>(323,035)</u>
<b>Financing</b>		
Repayment of other short term loans	(13,044)	(65,217)
Capital element of finance leases and hire purchase contracts	(150,692)	(105,258)
	<u>(163,736)</u>	<u>(170,475)</u>

# S B Wheeler & Sons Limited

## Notes to the abbreviated accounts for the year ended 31st October 2003

..... continued

### 24. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	557,659	220,567	778,226
Overdrafts	(157,044)	149,175	(7,869)
	<u>400,615</u>	<u>369,742</u>	<u>770,357</u>
Debt due within one year	(58,696)	13,044	(45,652)
Finance leases and hire purchase contracts	(172,581)	150,692	(21,889)
	<u>(231,277)</u>	<u>163,736</u>	<u>(67,541)</u>
<b>Net funds</b>	<u>169,338</u>	<u>533,478</u>	<u>702,816</u>

### 25. Contingent liabilities

The company is currently defending two claims made against the company. The first claim involves a former employee, K Duffett, who suffered an accident whilst employed by S B Wheeler & Sons Limited. The other case involves Sundown Straw Products Limited, who are making a claim for damage to their goods amounting to £100,000. The directors strongly believe the company will be successful in defending both these claims and no contingent liability should be provided.