

PHOENIX HANDLING SERVICES LIMITED Company number 3934331

BALANCE SHEET as at 31.12.2004

	2003	2004
<u>Fixed Assets</u> at net book value (see Note 1)	<u>30575</u>	53,773
Debtors - Trade	148658	219,693
Cash at Bank	83714	59,119
Reserve Account	12087	24,438
Petty Cash	145	17
Lombard Deposit (MV Hire)	1069	1,069
Stock	<u>13114</u>	<u>17,859</u>
<u>Total Current Assets</u>	<u>258787</u>	<u>322,195</u>
<u>Total Assets</u>	<u>289362</u>	<u>375,968</u>
Creditors - Trade including VAT	192305	267,372
- Inland Revenue PAYE	3026	6,313
- Corporation Tax	7056	5,495
- Bank Loans	17667	nil
- HM Customs (VAT)	<u>835</u>	<u>8,114</u>
<u>Total Current Liabilities</u>	<u>220889</u>	<u>287,294</u>
Hire Purchase Loan Balance (Yellow Van)	-	<u>12,846</u>
<u>Total Liabilities</u>		<u>300,140</u>
<u>Net Assets</u>	<u>68473</u>	<u>75,828</u>

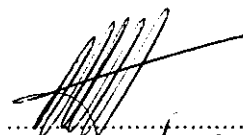
CAPITAL AND RESERVES:

Called up Share Capital	2	2
Director's Loan Account	25144	16,194
Profit and Loss Account brought forward	18964	43,327
Profit (Loss) after tax for the current period	36363	29,505
Dividends paid	(12000)	(13,200)
Profits Retained in the business	<u>43327</u>	<u>59,632</u>
<u>Capital and Reserves</u>	<u>68473</u>	<u>75,828</u>

Audit

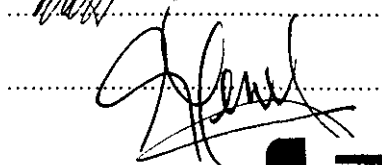
For the period under review the company was entitled to the exemption under sub-section (1) of section 249A of the Companies Act 1985 and no notice from members requiring an audit has been deposited under section 249B(2). The directors acknowledge their responsibility for ensuring that the company keeps accounting records which comply with section 221 and for 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 and loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company, in accordance with the special provisions in Part VII of the Companies Act 1985 relating to small companies.

Signed by Nick Quested (Director)



24.2.2005

Signed by Gerald Temple (Company Secretary)



24.2.2005



PHOENIX HANDLING SERVICES LIMITED

PROFIT & LOSS ACCOUNT FOR THE PERIOD 1.1.2004 TO 31.12.2004

		<u>2003</u>	<u>2004</u>
Sales		866852	1068093
Cost of Materials consumed	626065		774233
Carriage	6340		4528
Storage	<u>2747</u>		<u>5122</u>
Cost of Sales		<u>635152</u>	<u>783883</u>
Gross Trading Profit		231700	284210
Interest received on Reserve Account		<u>110</u>	<u>351</u>
Gross Profit		231810	284561
Salaries including NICER:			
Director	13277		14061
Other Staff	82267		119173
Pension Contributions - Director	550		900
- Other Staff	700		2750
Class 1A NIC's on benefits	490		530
Rent	17500		17500
Rates	5993		5650
Light Heat Water	1448		3602
Premises	2968		3313
Telephone	2566		3052
Post and Stationery	2400		5344
Motor vehicle leasing	14504		16242
Motor vehicle fuel	13966		14036
Motor vehicle tax/insurance	4790		6809
Motor vehicle hire	nil		4311
Staff Welfare incl. Canteen	2513		1388
Advertising	1589		2609
Professional fees	4807		3079
Accountancy fees	2469		1960
Loan Interest	1797		1075
Bank Charges	180		199
Depreciation	5113		13181
Cleaning and Sundries	2252		3952
Computer expenses	625		1011
Equipment Repairs and Replacements	1570		1300
Bad Debts	687		1784
Court Fees	-		250
Christmas Gratuities	1070		-
Charitable Donations	<u>300</u>		<u>500</u>
Total Overhead Expenditure		<u>188391</u>	<u>249561</u>
Net Profit or (Loss)		43419	35000
Corporation Tax (See Note 2)		<u>7056</u>	<u>5495</u>
Profit after Tax		<u>36363</u>	<u>29505</u>

PHOENIX HANDLING SERVICES LIMITED

Note 1: Fixed Assets

	<u>Fixtures & Fittings</u>	<u>Plant & Machinery</u>	<u>Van</u>	<u>Total</u>
Cost as at 1.1.2004	13,638	32,205	1,000	46,843
Additions 1.7.2004 to 30.9.2004			15,122	15,122
Additions 1.1.2004 to 30.6.2004		<u>14,862</u>	<u>6,395</u>	<u>21,257</u>
Total Cost as at 31.12.2004	<u>13,638</u>	<u>47,067</u>	<u>22,517</u>	<u>83,222</u>
Depreciation cumulative to 1.1.2004	6,439	9,829	-	16,268
Charge for current period	<u>1,800</u>	<u>8,566</u>	<u>2,815</u>	<u>13,181</u>
Depreciation cumulative to 30.9.2004	<u>8,239</u>	<u>18,395</u>	<u>2,815</u>	<u>29,449</u>
Net Book Value 31.12.2004	<u>5,399</u>	<u>28,672</u>	<u>19,702</u>	<u>53,773</u>
Annual Depreciation Rate:	25%	25%	25%	

For taxation purposes, capital allowances will be claimed at the maximum permitted rate. In particular, new plant and machinery benefit from an initial allowance of 40% in the year of purchase (50% with effect from 1.4.2004), and thereafter 25% per annum on the net book value. Computers will be written off @ 100%.

Note 2 Corporation Tax on profits to 31.12.2004

Profit before tax per Annual Accounts	35,000
Add back Depreciation	13,181
Deduct Capital Allowances:	
Plant & Machinery additions before 31.3.2004 (40% x 14,862)	5944
Plant and Machinery brought forward (32205 - 9829) x 25%	5594
Fixtures and Fittings	1800
Vans	<u>2815</u>
Total Capital Allowances	<u>(16,153)</u>
Profit subject to Corporation Tax	32,028
Less NIL rate band	<u>10,000</u>
Balance taxable @ 23.75%	<u>22,028</u>

Corporation Tax due on basic profits 5,231.65
Underlying rate of taxation 5,231.65 / 32,028 = 16.33%

Profit subject to Corporation Tax 32,028
Less dividends 1.4.2004 - 31.12.2004 9,900 x 19% = 1,881.00
Balance of profits @ underlying rate 22,128 x 16.33% = 3,613.50

Corporation Tax Payable 1.10.2005 £ 5,494.50

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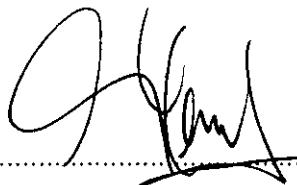
Registered in England Number 3934331

Registered Office: The Old Rectory Main Road Longfield Kent DA3 7AE

DIRECTORS REPORT FOR THE YEAR ENDED 31.12.2004

1. The Company was incorporated on 25.2.2000.
2. The Company's main activity is the manufacture of paper and paper board.
3. The accounts annexed to this report were approved by the director on 25.2.2005
4. It was resolved to recommend to a General Meeting of Shareholders to be held on 25.2.2005 that a dividend should be declared of £6,600.00 per £1 ordinary share issued.
5. The director of the Company throughout the period under review was Nicholas Quested.

Signed by Gerald Temple (Company Secretary) 25.2.2005.....



ANNUAL GENERAL MEETING HELD ON 25.2.2005

The AGM was attended by the two shareholders and the following resolutions were made:

1. The Director's Report and accompanying Accounts for the year ended 31.12.2004 were considered and accepted.
2. The Meeting resolved to declare a dividend of £6,600.00 per £1 ordinary share issued, called up, and fully paid.
3. The Meeting noted that the Director agreed to continue in office.

Signed by Gerald Temple (Company Secretary) 25.2.2005.....

