

STATUTORY COPY

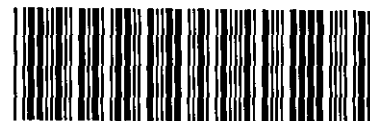
Company Registration No. 2566316 (England and Wales)

HUMPHRIES LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 30 APRIL 2006

WEDNESDAY



LBHF8NG3

LD5

28/02/2007

391

COMPANIES HOUSE

HUMPHRIES LIMITED

CONTENTS

	Page
Directors' report	1 - 3
Auditors' report	4
Abbreviated profit and loss account	5
Abbreviated balance sheet	6
Cash flow statement	7
Notes to the cash flow statement	8
Notes to the abbreviated accounts	9 - 16

HUMPHRIES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2006

The directors present their report and financial statements for the year ended 30 April 2006.

Principal activities

The principal activity of the company continued to be that of retailers of recycled ferrous and non ferrous metals.

Principal risks and uncertainties facing the company

The principal risks and uncertainties facing the company arise from fluctuations in both currency exchange rates and open-market prices of recycled ferrous and non-ferrous metals. We make a judgement on the prices offered to suppliers of various metals and other material, having regard to online market price information and our anticipation of the time and cost that will be incurred in processing the delivery and despatch, and the currency of payment likely to be received. The company does not have control over the timing or amount of metals it is offered to purchase.

We endeavour to minimise the company's risk of exposure to foreign currency transactions by forward contracting for delivery of future currency at fixed rates.

Use of financial instruments

Our financial risk management objectives are to ensure sufficient working capital for the company. This is achieved by the use of hire purchase contracts and finance leases to fund capital expenditure. Other than this and forward contracting to minimise currency risk, our use of financial instruments is not material for the assessment of the assets, liabilities, financial position and profit of the company.

Review of the business

The metal recycling industry remained a challenging marketplace during the year and the company's main focus during the year has been to continue growing the business.

The company's development during the year

It will be noted that the company's stock levels at the end of the year are materially lower than at the start of the year. This was primarily caused by shipping difficulties towards the end of the previous year which resulted in delays in being able to despatch processed materials.

HUMPHRIES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2006

The company's performance

During the year, as a result of our efforts to grow the business, we were able to increase our turnover by 41% to £7,104k (2005: £5,051k). The delayed shipping of stock held as at 30 April 2005 contributed to about half of this increase. Turnover is a key performance indicator for our business as it measures the total output of the business at the prices we are able to charge our customers.

Other key performance indicators are the gross and net margins we achieve on our sales. During the year, our gross margin increased to 19.9% (2005: 14.4%) and our net profit margin increased to 14.7% (2005: 7.6%) due to our successful judgement on the basis we purchased materials, favourable market price fluctuations and management of currency risks.

Our return on investment (calculated as operating profit divided by the sum of fixed and current assets) improved to 23.1% (2005: 10.9%). This is a key performance indicator as it enables us to measure the return on assets in the company.

In all cases these KPIs have been calculated on a consistent basis with the 2005 figures and are based directly on the amounts shown in the financial statements.

The company's position

The company's cash position was healthy at the end of the year with balances of £2,075k (2005: £230k), which to a large extent effectively resulted from the realisation of the unusually high stock-holding level as at 30 April 2005.

The company has an ongoing policy to maintain, develop and expand its plant and equipment for processing and recycling metals to enable it to comply with all current health and safety and environment regulations.

No events have occurred since the balance sheet date that would significantly affect the company.

Results and dividends

The results for the year are set out on page 6.

An interim dividend of £200,000 (2005: £50,000) was paid during the year. The directors do not recommend payment of a final dividend.

Directors

The following directors have held office since 1 May 2005:

W E Stennett

L K Stennett

A W Humphries

HUMPHRIES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2006

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	30 April 2006	1 May 2005
W E Stennett	50	50
L K Stennett	-	-
A W Humphries	50	50

Auditors

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985. Therefore, the auditors, UHY Hacker Young, will be deemed to be reappointed for each succeeding financial year.

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 those 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 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 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.

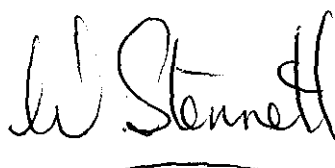
Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

W E Stennett
Director
27 February 2007



**INDEPENDENT AUDITORS' REPORT TO HUMPHRIES LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 5 to 16, together with the financial statements of Humphries Limited for the year ended 30 April 2006 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 those matters we are required to state to them in an auditor's report on abbreviated accounts 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, 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 the 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 abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of audit opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.



UHY Hacker Young

27 February 2007

Chartered Accountants
Registered Auditor

HUMPHRIES LIMITED**ABBREVIATED PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30 APRIL 2006**

		2006	2005
	Notes	£	£
Gross profit		1,415,680	726,397
Administrative expenses		(356,793)	(225,741)
Operating profit	2	1,058,887	500,656
Other interest receivable and similar income		17,922	20,935
Interest payable and similar charges	4	(34,089)	(138,833)
Profit on ordinary activities before taxation		1,042,720	382,758
Tax on profit on ordinary activities	5	(300,077)	(81,521)
Profit for the year	14	742,643	301,237

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

HUMPHRIES LIMITED

ABBREVIATED BALANCE SHEET

AS AT 30 APRIL 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Tangible assets	7		1,487,034		1,363,261
Current assets					
Stocks	8	230,384		1,392,158	
Debtors	9	719,334		520,275	
Cash at bank and in hand		2,075,539		230,550	
		3,025,257		2,142,983	
Creditors: amounts falling due within one year	10	(1,499,120)		(1,032,627)	
Net current assets			1,526,137		1,110,356
Total assets less current liabilities			3,013,171		2,473,617
Creditors: amounts falling due after more than one year	11		(707,547)		(714,805)
Provisions for liabilities	12		(197,180)		(193,011)
			2,108,444		1,565,801
Capital and reserves					
Called up share capital	13		100		100
Profit and loss account	14		2,108,344		1,565,701
Shareholders' funds	15		2,108,444		1,565,801

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

Approved by the Board and authorised for issue on 27 February 2007

A W Humphries
Director

A.W. Humphries

W E Stennett
Director

W. Stennett

HUMPHRIES LIMITED**CASH FLOW STATEMENT****FOR THE YEAR ENDED 30 APRIL 2006**

	2006	2005
	£	£
Net cash inflow from operating activities	2,393,516	308,466
Returns on investments and servicing of finance		
Interest received	17,839	20,935
Interest paid	(34,089)	(138,833)
Net cash outflow for returns on investments and servicing of finance	(16,250)	(117,898)
Taxation	(54,487)	(196,477)
Capital expenditure		
Payments to acquire tangible assets	(106,113)	(132,271)
Receipts from sales of tangible assets	62,500	533,678
Net cash (outflow)/inflow for capital expenditure	(43,613)	401,407
Equity dividends paid	(200,000)	(50,000)
Net cash inflow before management of liquid resources and financing	2,079,166	345,498
Financing		
Repayment of other short term loans	-	(14,950)
Capital element of hire purchase contracts	(421,017)	(564,097)
Net cash outflow from financing	(421,017)	(579,047)
Increase/(decrease) in cash in the year	1,658,149	(233,549)

HUMPHRIES LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2006

1 Reconciliation of operating profit to net cash inflow from operating activities		2006	2005
		£	£
Operating profit		1,058,887	500,656
Depreciation of tangible assets		319,060	351,655
Loss/(profit) on disposal of tangible assets		4,730	(64,758)
Decrease/(increase) in stocks		1,161,774	(1,119,550)
(Increase)/decrease in debtors		(199,059)	618,269
Increase in creditors within one year		48,124	22,194
Net cash inflow from operating activities		2,393,516	308,466

2 Analysis of net funds/(debt)	1 May 2005	Cash flow	Other non-cash changes	30 April 2006
	£	£	£	£
Net cash:				
Cash at bank and in hand	230,550	1,844,989	-	2,075,539
Bank overdrafts	(108,352)	(186,840)	-	(295,192)
	122,198	1,658,149	-	1,780,347
Bank deposits	-	-	-	-
Debt:				
Finance leases	(1,140,412)	421,100	(403,950)	(1,123,262)
Net (debt)/funds	(1,018,214)	2,079,249	(403,950)	657,085

3 Reconciliation of net cash flow to movement in net funds/(debt)	2006	2005
	£	£
Increase/(decrease) in cash in the year	1,658,149	(233,549)
Cash outflow from decrease in debt and lease financing	421,100	579,047
Change in net debt resulting from cash flows	2,079,249	345,498
New finance lease	(403,950)	(634,103)
Movement in net funds/(debt) in the year	1,675,299	(288,605)
Opening net debt	(1,018,214)	(729,609)
Closing net funds/(debt)	657,085	(1,018,214)

HUMPHRIES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 APRIL 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold land and buildings	over the term of the lease
Plant and machinery	15% - 25% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance

All assets are depreciated from the date they are brought into use.

1.4 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 a constant periodic rate of charge on the net obligation outstanding in each period.

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

1.5 Stock

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

1.6 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.7 Foreign currency translation

Transactions in foreign currency are translated at rate ruling at date of transaction.

HUMPHRIES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2006

2	Operating profit	2006	2005
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	319,060	351,655
	Loss on disposal of tangible assets	4,730	-
	Operating lease rentals	118,600	109,113
	Auditors' remuneration	10,555	8,000
	and after crediting:		
	Profit on disposal of tangible assets	-	(64,758)
	Profit on foreign exchange transactions	(4,111)	(51,353)
		<u> </u>	<u> </u>
3	Investment income	2006	2005
		£	£
	Bank interest	17,839	20,935
	Other interest	83	-
		<u> </u>	<u> </u>
		17,922	20,935
		<u> </u>	<u> </u>
4	Interest payable	2006	2005
		£	£
	Hire purchase interest	34,089	136,330
	On overdue tax	-	2,503
		<u> </u>	<u> </u>
		34,089	138,833
		<u> </u>	<u> </u>

HUMPHRIES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2006

5 Taxation	2006 £	2005 £
Domestic current year tax		
U.K. corporation tax	295,908	54,487
Current tax charge	295,908	54,487
Deferred tax		
Deferred tax charge/credit current year	4,169	27,034
	300,077	81,521
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	1,042,720	382,758
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005 - 30.00%)	312,816	114,827
Effects of:		
Depreciation add back	95,718	86,069
Capital allowances	(101,031)	(114,864)
Adjustments to previous periods	-	(31,545)
Other tax adjustments	(11,595)	-
	(16,908)	(60,340)
Current tax charge	295,908	54,487
6 Dividends	2006 £	2005 £
Ordinary interim paid	200,000	50,000

HUMPHRIES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2006

7 Tangible fixed assets

	Leasehold land and buildings £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 May 2005	7,829	1,708,537	14,704	229,153	1,960,223
Additions	-	324,310	588	185,165	510,063
Disposals	-	(102,000)	-	(42,000)	(144,000)
At 30 April 2006	7,829	1,930,847	15,292	372,318	2,326,286
Depreciation					
At 1 May 2005	3,756	512,831	6,522	73,853	596,962
On disposals	-	(56,522)	-	(20,248)	(76,770)
Charge for the year	919	265,763	2,083	50,295	319,060
At 30 April 2006	4,675	722,072	8,605	103,900	839,252
Net book value					
At 30 April 2006	3,154	1,208,775	6,687	268,418	1,487,034
At 30 April 2005	4,073	1,195,706	8,182	155,300	1,363,261

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

	Plant and machinery £	Motor vehicles £	Total £
Net book values			
At 30 April 2006	1,143,074	178,205	1,321,279
At 30 April 2005	1,163,937	114,751	1,278,688
Depreciation charge for the year			
At 30 April 2006	246,070	40,746	286,816
At 30 April 2005	285,877	38,251	324,128

HUMPHRIES LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)**
FOR THE YEAR ENDED 30 APRIL 2006

8	Stocks	2006	2005
		£	£
	Finished goods and goods for resale	<u>230,384</u>	<u>1,392,158</u>
9	Debtors	2006	2005
		£	£
	Trade debtors	668,517	477,798
	Prepayments and accrued income	<u>50,817</u>	<u>42,477</u>
		<u>719,334</u>	<u>520,275</u>
10	Creditors: amounts falling due within one year	2006	2005
		£	£
	Bank loans and overdrafts	295,192	108,352
	Net obligations under hire purchase contracts	415,715	425,607
	Trade creditors	151,591	323,277
	Corporation tax	295,908	54,487
	Other taxes and social security costs	236,624	56,965
	Directors' current accounts	4,186	4,186
	Other creditors	8,745	8,745
	Accruals and deferred income	<u>91,159</u>	<u>51,008</u>
		<u>1,499,120</u>	<u>1,032,627</u>

Finance lease and hire purchase contracts are secured over the related assets.

HUMPHRIES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2006

11 Creditors: amounts falling due after more than one year	2006 £	2005 £
Net obligations under hire purchase contracts	<u>707,547</u>	<u>714,805</u>
Net obligations under hire purchase contracts		
Repayable within one year	469,567	445,737
Repayable between one and five years	<u>757,324</u>	<u>814,099</u>
	1,226,891	1,259,836
Finance charges and interest allocated to future accounting periods	<u>(103,629)</u>	<u>(119,424)</u>
	1,123,262	1,140,412
Included in liabilities falling due within one year	<u>(415,715)</u>	<u>(425,607)</u>
	<u>707,547</u>	<u>714,805</u>

12 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 May 2005	193,011
Profit and loss account	<u>4,169</u>
Balance at 30 April 2006	<u>197,180</u>

The deferred tax liability is made up as follows:

	2006 £	2005 £
Accelerated capital allowances	<u>197,180</u>	<u>193,011</u>

HUMPHRIES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2006

13 Share capital	2006	2005
	£	£
Authorised 1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid 100 Ordinary shares of £1 each	100	100
14 Statement of movements on profit and loss account		Profit and loss account £
		1,565,701
Balance at 1 May 2005		742,643
Profit for the year		(200,000)
Dividends paid		
		2,108,344
Balance at 30 April 2006		
15 Reconciliation of movements in shareholders' funds	2006	2005
	£	£
Profit for the financial year	742,643	301,237
Dividends	(200,000)	(50,000)
Net addition to shareholders' funds	542,643	251,237
Opening shareholders' funds	1,565,801	1,314,564
Closing shareholders' funds	2,108,444	1,565,801

HUMPHRIES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2006

16 Financial commitments

At 30 April 2006 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 April 2007:

	Land and buildings	
	2006	2005
	£	£
Operating leases which expire:		
Within one year	-	10,000
Between two and five years	108,432	16,608
In over five years	-	90,000
	<u>108,432</u>	<u>116,608</u>

17 Directors' emoluments

	2006	2005
	£	£
Emoluments for qualifying services	<u>140,876</u>	<u>124,216</u>

18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2006	2005
	Number	Number
Management	3	3
Production	9	11
	<u>12</u>	<u>14</u>

Employment costs

	2006	2005
	£	£
Wages and salaries	295,020	307,576
Social security costs	30,905	31,517
	<u>325,925</u>	<u>339,093</u>