

Registered number
01646981

THURSDAY



A01 *AJUDDTOU* 197
28/04/2011
COMPANIES HOUSE

CHARLES MUDDLE LIMITED
DIRECTORS' REPORT AND AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2010

CHARLES MUDDLE LIMITED

COMPANY INFORMATION

Directors

C J E Muddle
S J Muddle

Secretary

Mrs M J Muddle

Auditor

Spofforths LLP
One Jubilee Street
Brighton
East Sussex
BN1 1GE

Registered office

Third Floor South
One Jubilee Street
Brighton
East Sussex
BN1 1GE

Registered number

01646981

CHARLES MUDDLE LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditor's report	3
Profit and loss account	4
Balance sheet	5
Cash flow statement	6
Notes to the financial statements	7 to 14

The following pages do not form part of the statutory financial statements

Management Profit and Loss Account	15 to 16
---	----------

CHARLES MUDDLE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2010

The directors present their report and financial statements for the year ended 31 July 2010

Principal activities

The company's principal activity during the year continued to be that of scrap metal dealers and vehicle breakers yard operators

Review of the business

Key performance indicators considered by the company

The company saw an increase to turnover by 22% in the year after last year's downturn due to market conditions

The gross profit margin has remained consistent at 17%

Principal risks and uncertainties facing the company

The directors believe the main risks faced by the company are

customers going into administration due to the current economic climate

the company's bank going into administration

Dividends

The profit for the year, after taxation, amounted to £1,179,084 (2009 £784,503) The directors do not recommend that any dividends are paid

Directors

The directors who served during the year were as follows

C J E Muddle

S J Muddle

Directors' responsibilities

The directors are responsible for preparing the report and financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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

CHARLES MUDDLE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2010

Disclosure of information to the auditor

Each person who was a director at the time this report was approved confirms that

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This report was approved by the board on 3 March 2011 and signed on its behalf



S J Muddle
Director

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

CHARLES MUDDLE LIMITED

We have audited the financial statements of Charles Muddle Limited for the year ended 31 July 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes on pages 8 to 15

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and the auditor

As explained more fully in the Directors' Responsibility Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

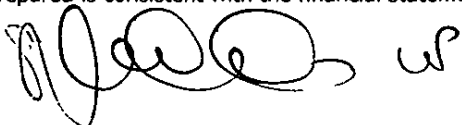
Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2010 and of its profit for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



Stephen Kirkham FCA
(Senior Statutory Auditor)
for and on behalf of
Spofforths LLP
Chartered Accountants and Statutory Auditor

One Jubilee Street
Brighton
East Sussex
BN1 1GE

27 April 2011

CHARLES MUDDLE LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 JULY 2010**

	Notes	2010 £	2009 £
Turnover	2	12,363,822	<i>10,116,612</i>
Cost of sales		(10,224,564)	<i>(8,369,642)</i>
Gross profit		2,139,258	<i>1,746,970</i>
Administrative expenses		(502,459)	<i>(818,075)</i>
Other operating income		-	<i>75</i>
Operating profit	3	1,636,799	<i>928,970</i>
Exceptional items			
profit on the disposal of tangible fixed assets	4	-	<i>145,276</i>
		1,636,799	<i>1,074,246</i>
Interest receivable		1,223	<i>12,714</i>
Interest payable	7	(406)	<i>(1,443)</i>
Profit on ordinary activities before taxation		1,637,616	<i>1,085,517</i>
Tax on profit on ordinary activities	8	(458,532)	<i>(301,014)</i>
Profit for the financial year		1,179,084	<i>784,503</i>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years

CHARLES MUDDLE LIMITED

BALANCE SHEET

AS AT 31 JULY 2010

Registered number 01646981

	Notes	2010 £	2009 £
Fixed assets			
Tangible assets	9	1,858,209	1,854,067
Current assets			
Stocks	10	122,000	119,000
Debtors	11	3,442,497	2,743,497
Cash at bank and in hand		<u>1,465,069</u>	<u>720,945</u>
		5,029,566	3,583,442
Creditors: amounts falling due within one year	12	(1,034,113)	(898,679)
Net current assets		<u>3,995,453</u>	<u>2,684,763</u>
Total assets less current liabilities		<u>5,853,662</u>	<u>4,538,830</u>
Creditors: amounts falling due after more than one year	13	(122,028)	-
Provisions for liabilities			
Deferred taxation	15	(180,369)	(166,649)
		<u>5,551,265</u>	<u>4,372,181</u>
Capital and reserves			
Called up share capital	16	75	75
Capital redemption reserve	17	-	25
Profit and loss account	18	<u>5,551,190</u>	<u>4,372,081</u>
Shareholders' funds	19	<u>5,551,265</u>	<u>4,372,181</u>

The financial statements were approved by the board and authorised for issue on 3 March 2011 and signed on its behalf by



S J Muddle
Director

CHARLES MUDDLE LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2010

	Notes	2010 £	2009 £
Reconciliation of operating profit to net cash inflow/(outflow) from operating activities			
Operating profit		1,636,799	928,970
Depreciation charges		342,395	373,785
Profit on sale of fixed asset		(60,181)	(11,196)
Increase in stocks		(3,000)	(15,850)
Increase in debtors		(699,000)	(415,138)
Increase/(decrease) in creditors		99,820	(1,099,443)
Net cash inflow/(outflow) from operating activities		1,316,833	(238,872)
CASH FLOW STATEMENT			
Net cash inflow/(outflow) from operating activities		1,316,833	(238,872)
Returns on investments and servicing of finance	20	817	11,271
Taxation		(472,865)	(553,444)
Capital expenditure	20	6,688	(94,066)
		851,473	(875,111)
Financing	20	(107,349)	-
Increase/(decrease) in cash		744,124	(875,111)
Reconciliation of net cash flow to movement in net debt			
Increase/(decrease) in cash in the period		744,124	(875,111)
Decrease in debt and lease financing		107,349	-
New finance leases		(293,044)	-
Change in net debt	21	558,429	(875,111)
Net funds at 1 August		720,945	1,596,056
Net funds at 31 July		1,279,374	720,945

CHARLES MUDDLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2010

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The principal accounting policies adopted in the preparation of the financial statements are set out below and have been applied consistently.

Turnover

Turnover represents the value, net of VAT and discounts, of goods provided to customers.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Freehold buildings	10% per annum straight line
Plant and machinery	20% per annum reducing balance
Motor vehicles	25% per annum reducing balance

Stocks

Stocks, including work in progress, are consistently valued at the lower of cost and net realisable value.

Deferred taxation

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Operating lease commitments

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

Finance lease and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Pensions

Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments at the year end.

CHARLES MUDDLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2010

2 Analysis of turnover	2010	2009
	£	£
By geographical market		
UK	12,362,586	9,175,767
Rest of world	1,236	940,845
	12,363,822	10,116,612
3 Operating profit	2010	2009
	£	£
This is stated after charging		
Depreciation of owned fixed assets	337,511	373,785
Depreciation of assets held under finance leases and hire purchase contracts	4,884	-
Operating lease rentals - land buildings	20,250	20,250
Auditors' remuneration for audit services	3,250	3,250
4 Exceptional items	2010	2009
	£	£
Profit on disposal of plant and machinery	-	145,276
5 Directors' emoluments	2010	2009
	£	£
Emoluments	64,400	64,400
Company contributions to defined contribution pension schemes	255,000	500,000
	319,400	564,400
Number of directors in company pension schemes:	2010	2009
	Number	Number
Defined contribution schemes	1	1

CHARLES MUDDLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2010

6 Staff costs	2010	2009
	£	£
Wages and salaries	574,607	543,616
Average number of employees during the year	Number	Number
Production	26	23
7 Interest payable	2010	2009
	£	£
Bank loans and overdrafts	-	1,441
Other loans	-	2
Finance charges payable under finance leases and hire purchase contracts	406	-
	406	1,443
8 Taxation	2010	2009
	£	£
Analysis of charge in year		
Current tax		
UK corporation tax on profits of the period	444,812	312,865
Deferred tax		
Origination and reversal of timing differences	13,720	(11,851)
Tax on profit on ordinary activities	458,532	301,014

CHARLES MUDDLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2010

8 Taxation continued

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows

	2010 £	2009 £
Profit on ordinary activities before tax	1,637,616	1,085,517
Standard rate of corporation tax in the UK	28%	28%
Profit on ordinary activities multiplied by the standard rate of corporation tax	458,532	303,945
Effects of		
Expenses not deductible for tax purposes	(194,089)	(157,729)
Capital allowances for period in excess of depreciation	180,369	166,649
Current tax charge for period	444,812	312,865

9 Tangible fixed assets

	Land and buildings £	Motor vehicles £	Plant and machinery £	Total £
Cost				
At 1 August 2009	231,458	517,553	3,185,697	3,934,708
Additions	-	29,107	376,900	406,007
Disposals	-	(60,441)	(130,000)	(190,441)
At 31 July 2010	231,458	486,219	3,432,597	4,150,274
Depreciation				
At 1 August 2009	29,853	321,534	1,729,254	2,080,641
Charge for the year	-	50,284	292,111	342,395
On disposals	-	(49,099)	(81,872)	(130,971)
At 31 July 2010	29,853	322,719	1,939,493	2,292,065
Net book value				
At 31 July 2010	201,605	163,500	1,493,104	1,858,209
<i>At 31 July 2009</i>	<i>201,605</i>	<i>196,019</i>	<i>1,456,443</i>	<i>1,854,067</i>

	2010 £	2009 £
Net book value of plant and machinery included above held under finance leases and hire purchase contracts	288,160	-

CHARLES MUDDLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2010

10 Stocks	2010	2009
	£	£
Finished goods and goods for resale	<u>122,000</u>	<u>119,000</u>
11 Debtors	2010	2009
	£	£
Trade debtors	517,600	827,053
Owed by related undertakings	2,917,243	1,903,080
Prepayments and accrued income	<u>7,654</u>	<u>13,364</u>
	<u>3,442,497</u>	<u>2,743,497</u>
12 Creditors: amounts falling due within one year	2010	2009
	£	£
Obligations under finance lease and hire purchase contracts	63,667	-
Trade creditors	415,210	389,804
Amounts owed to group undertakings	22,507	39,297
Corporation tax	284,812	312,865
Other taxes and social security costs	144,602	102,081
Directors' loan accounts	6,859	162
Accruals and deferred income	<u>96,456</u>	<u>54,470</u>
	<u>1,034,113</u>	<u>898,679</u>
13 Creditors: amounts falling due after more than one year	2010	2009
	£	£
Obligations under finance lease and hire purchase contracts	<u>122,028</u>	<u>-</u>
14 Obligations under finance leases and hire purchase contracts	2010	2009
	£	£
Amounts payable		
Within one year	63,667	-
Within two to five years	<u>122,028</u>	<u>-</u>
	<u>185,695</u>	<u>-</u>

CHARLES MUDDLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2010

15 Deferred taxation		2010	2009
		£	£
At 1 August		166,649	<i>178,500</i>
Deferred tax charge/(credit) in profit and loss account		13,720	<i>(11,851)</i>
At 31 July		180,369	<i>166,649</i>
Deferred tax is made up as follows			
Accelerated capital allowances		180,369	<i>166,649</i>
16 Share capital	Nominal value	2010 Number	2010 £
			2009 £
Allotted, called up and fully paid Ordinary shares	£1 each	75	75
17 Capital redemption reserve		2010	
		£	
At 1 August 2009		25	
Transfer to the profit and loss account		(25)	
At 31 July 2010		-	
18 Profit and loss account		2010	
		£	
At 1 August 2009		4,372,081	
Profit for the financial year		1,179,084	
Transfer from the capital redemption reserve		25	
At 31 July 2010		5,551,190	
19 Reconciliation of movement in shareholders' funds		2010	2009
		£	£
At 1 August		4,372,181	<i>3,587,678</i>
Profit for the financial year		1,179,084	<i>784,503</i>
At 31 July		5,551,265	<i>4,372,181</i>

CHARLES MUDDLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2010

20 Gross cash flows	2010	2009
	£	£
Returns on investments and servicing of finance		
Interest received	1,223	12,714
Interest paid	-	(1,443)
Interest element of finance lease rental payments	(406)	-
	<u>817</u>	<u>11,271</u>
Capital expenditure		
Payments to acquire tangible fixed assets	(112,963)	(338,056)
Receipts from sales of tangible fixed assets	119,651	243,990
	<u>6,688</u>	<u>(94,066)</u>
Financing		
Capital element of finance lease rental payments	(107,349)	-

21 Analysis of changes in net debt

	At 1 Aug 2009	Cash flows	Non-cash changes	At 31 Jul 2010
	£	£	£	£
Cash at bank and in hand	720,945	744,124		1,465,069
Finance leases	-	107,349	(293,044)	(185,695)
Total	<u>720,945</u>	<u>851,473</u>	<u>(293,044)</u>	<u>1,279,374</u>

22 Major non-cash transactions

	2010
	£
Capital value of new finance lease arrangements	<u>293,044</u>

23 Other financial commitments

At the year end the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings	Land and buildings	Other	Other
	2010	2009	2010	2009
	£	£	£	£
Operating leases which expire within two to five years	<u>20,250</u>	<u>20,250</u>	<u>-</u>	<u>-</u>

CHARLES MUDDLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2010

24 Contingent liabilities

Charles Muddle Limited has an obligation, included in the lease agreement with Shoreham Port Authority, to guarantee a minimum throughput of 28,000 tonnes of scrap metal per annum. Should the throughput of scrap metal be less than 28,000 tonnes per annum, Charles Muddle Limited are obligated to pay an additional sum. This equates to the cargo dues at the rate then applicable on the shortfall plus vessel dues and pilotage at the current rate then applicable on vessels necessary to carry that quantity of scrap materials. The throughput of scrap metal exceeds this minimum obligation to such an extent as make it highly unlikely for this to have any financial effect.

25 Related parties

S J Muddle

Director of the company

During the year S J Muddle provided the company with an interest free loan. The balance outstanding at the year end was £6,859 (2009 £162).

Solar Metals Limited

A company controlled by S J Muddle

Goods and services worth £8,647,523 (2009 £6,275,377) were sold to Solar Metals Limited, and goods and services worth £1,271,539 (2009 £683,084) were purchased from them.

All transactions were carried out at arms length basis.

The company has also provided an unlimited cross guarantee to Barclays Bank PLC on behalf of this related company.

At the balance sheet date, Solar Metals Limited owed Charles Muddle Limited £2,917,243 (2009 £1,903,079).

Blaker (Specialised Welding Repairs) Limited

A company controlled by S J Muddle

Goods and services worth £2,616 (2009 £6,644) were sold to Blaker (Specialised Welding Repairs) Limited, and goods and services worth £245,701 (2009 £358,510) were purchased from them.

All transactions were carried out at arms length basis.

The company has also provided an unlimited cross guarantee to Barclays Bank PLC on behalf of this related company.

At the balance sheet date, Charles Muddle Limited owed Blaker (Specialised Welding Repairs) Limited £22,507 (2009 £39,297).

C J E Muddle and S J Muddle

Directors of the company

The directors have provided a personal guarantee to Barclays Bank PLC on behalf of Charles Muddle Limited. This guarantee is limited to £60,000.

26 Ultimate controlling party

In the directors' opinion the company is owned by S J Muddle who owns 100% of the shares in the company.