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**SHEPPY LIMITED**

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**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 MAY 2008**



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**SHEPPY LIMITED**

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

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We have examined the abbreviated accounts of Sheppy Limited for the year ended 31 May 2008 set out on pages 2 to 7, together with the financial statements of the company for the year ended 31 May 2008 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 work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our 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 246 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 sections 246 (5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

**BASIS OF OPINION**

We conducted our work in accordance with Bulletin 2006/3 'The special Auditors' 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 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 7 have been properly prepared in accordance with those provisions.

*Crosby & Co.*

Chartered Accountants  
Registered Auditors

Star House  
Star Hill  
Rochester  
Kent  
ME1 1UX

Date: 22<sup>nd</sup> October 2008

**SHEPPY LIMITED**

**ABBREVIATED BALANCE SHEET  
AS AT 31 MAY 2008**

	Note	2008 £	2007 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	2	185,056	310,136
Investment property	4	144,314	-
Fixed asset investments	3	914,896	914,896
		<u>1,244,266</u>	<u>1,225,032</u>
<b>CURRENT ASSETS</b>			
Stocks		36,719	25,616
Debtors		967,097	1,936,114
		<u>1,003,816</u>	<u>1,961,730</u>
<b>CREDITORS:</b> amounts falling due within one year	5	<u>(725,243)</u>	<u>(1,661,683)</u>
<b>NET CURRENT ASSETS</b>		<u>278,573</u>	<u>300,047</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,522,839</u>	<u>1,525,079</u>
<b>CREDITORS:</b> amounts falling due after more than one year		<u>(38,172)</u>	<u>(49,256)</u>
<b>NET ASSETS</b>		<u>1,484,667</u>	<u>1,475,823</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	6	575,109	575,109
Share premium account		544,321	544,321
Profit and loss account		365,237	356,393
<b>SHAREHOLDERS' FUNDS</b>		<u>1,484,667</u>	<u>1,475,823</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved and authorised for issue by the board and were signed on its behalf on 21st October 2008.

Director

The notes on pages 3 to 7 form part of these financial statements.

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## SHEPPY LIMITED

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### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2008

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

##### 1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

##### 1.3 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

##### 1.4 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	straight line over 50 years
Plant & Machinery	-	25% reducing balance
Motor Vehicles	-	25% reducing balance
Office Equipment	-	20% reducing balance
Leasehold plant	-	20% reducing balance

##### 1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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.

##### 1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

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## **SHEPPY LIMITED**

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### **NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2008**

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#### **1. ACCOUNTING POLICIES (continued)**

##### **1.7 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

##### **1.8 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

##### **1.9 Investment properties**

Investment properties are included in the Balance sheet at their open market value in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and are not depreciated. This treatment is contrary to the Companies Act 1985 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

**SHEPPY LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MAY 2008**

**2. TANGIBLE FIXED ASSETS**

	£
<b>Cost</b>	
At 1 June 2007	744,718
Additions	32,950
Disposals	(570)
Transfer between classes	(151,909)
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At 31 May 2008	625,189
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<b>Depreciation</b>	
At 1 June 2007	434,582
Charge for the year	13,716
On disposals	(570)
Transfer between classes	(7,595)
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At 31 May 2008	440,133
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<b>Net book value</b>	
At 31 May 2008	185,056
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At 31 May 2007	310,136
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**3. FIXED ASSET INVESTMENTS**

	£
<b>Cost or valuation</b>	
At 1 June 2007 and 31 May 2008	914,896
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**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

Stevens Chemical Manure Company Limited (Dormant)	100%
Sheppey Services Limited	100%
Matahari 306 Limited (Dormant)	85.7%

The aggregate of the share capital and reserves as at 31 May 2008 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Stevens Chemical Manure Company Limited (Dormant)	42,810	-
Sheppey Services Limited	918,965	-
Matahari 306 Limited (Dormant)	8,505	-
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**SHEPPY LIMITED**

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**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MAY 2008**

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**4. INVESTMENT PROPERTY**

	£
<b>Cost and valuation</b>	
At 1 June 2007	-
Additions at cost	<u>144,314</u>
At 31 May 2008	<u><u>144,314</u></u>

The investment property value is considered to be included at the directors valuation.

**5. CREDITORS:  
Amounts falling due within one year**

First legal charge - Freehold Klondyke Industrial Estate, Rushenden Road, Queenborough, Kent - dated 24 March 2002.

**6. SHARE CAPITAL**

	<b>2008</b>	<b>2007</b>
	£	£
<b>Authorised, allotted, called up and fully paid</b>		
66,537 Ordinary shares of £1 each	<b>66,537</b>	66,537
2 Deferred shares of £1 each	<b>2</b>	2
508,570 Preference shares of £1 each	<b>508,570</b>	508,570
	<u><b>575,109</b></u>	<u><b>575,109</b></u>

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## **SHEPPY LIMITED**

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### **NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2008**

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#### **7. RELATED PARTY TRANSACTIONS**

##### **Sheppy Services Limited - a subsidiary**

Expenses of £783 (2007 - £875) were incurred on behalf of the subsidiary.  
Sheppy Industries Limited loan of £19,184 (2007 - £19,184) was consolidated through Sheppy Limited.  
A balance of £918,965 was transferred to Montash Properties Limited.  
As at 31 May 2008 £nil (2007 - £918,965) was owed to the subsidiary.

##### **Montash Properties Limited - a subsidiary**

Expenses of £86,019 (2007 - £76,893) were incurred on behalf of the subsidiary.  
Sheppy Industries Limited loan of £87,741 (2007 - £77,751) was consolidated through Sheppy Limited.  
Sheppy Services Limited loan of £918,965 was transferred to the subsidiary.  
As at 31 May 2008 £853,913 (2007 - £1,849,901) was due from the subsidiary.

##### **Sheppy Industries Limited - a subsidiary**

Expenses of £53,571 (2007 - £63,197) were incurred on behalf of the subsidiary.  
Expenses of £20,000 (2007 - £20,000) was transferred from the subsidiary.  
A loan of £252,000 (2007 - £241,800) was made from the subsidiary.  
The Montash Properties Limited loan of £87,741 (2007 - £77,751) was consolidated through Sheppy Limited.  
The Matahari 306 Limited loan of £125,000 (2007 - £125,000) was consolidated through Sheppy Limited.  
A dividend of £34,286 (2007 - £184,286) was paid to Sheppy Limited via Matahari 306 Limited, the parent company of Sheppy Industries Limited.  
As at 31 May 2008 £104,103 (2007 - £169,384) was due to the subsidiary.

##### **Matahari 306 Limited - a subsidiary**

A dividend of £34,286 (2007 - £184,286) was received the subsidiary.  
As at 31 May 2008, £125,000 (2007 - £125,000) was due from the subsidiary.

##### **Stevens Chemical Manure Company - a subsidiary**

There were no transactions with the subsidiary during the year.  
As at 31 May 2008, £42,608 (2007 - £42,608) was due to the subsidiary.

#### **8. CONTROLLING PARTY**

The ultimate controlling party is jointly P C Stevens and C K Stevens.