

Registered number: 01543842

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of
Companies**

SHEPPY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2010

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SHEPPY LIMITED

COMPANY INFORMATION

DIRECTORS

C K Stevens (removed 2 December 2010)
P C Stevens
M Smart (appointed 9 April 2010)
A C Stevens (appointed 9 April 2010)
M J C Stevens (resigned 14 March 2010)
M Dowling (appointed 9 April 2010)

COMPANY SECRETARY

C Poynter (resigned 29 March 2011)

COMPANY NUMBER

01543842

REGISTERED OFFICE

Rushenden Road
Queenborough
Kent
ME11 5HH

AUDITOR

Crowe Clark Whitehill LLP
Chartered Accountants & Statutory Auditor
10 Palace Avenue
Maidstone
Kent
ME15 6NF

SHEPPY LIMITED

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SHEPPY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2010

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' report and the 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 judgments 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 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.

PRINCIPAL ACTIVITIES

The principal activity of the company continued to be that of the manufacture of adhesives and fertilisers. The company also receives rental income from commercial tenancies.

In the year to 31st May 2010, Sheppy Limited operated 3 distinct production businesses and commercial property management.

The company's historic focus on the fertiliser business continued based on a process using blended recycled materials. The fertiliser business contributed approximately 53% of revenue during the year. There was continued pressure on ROI as prices for the spread on farm market remained depressed during the recession.

The company's historic glue business is based on the provision of a variety of glue products to mid-market retailers and production facilities. The company continues to offer their premium blended Sheppy Scotch to the specialist wood craft industries. The glue business contributed approximately 12% of revenue during the year but maintained a solid ROI.

During the year, the company began to refocus its strategy on the waste management industry and also launched a waste consulting division. Although still in development in the year to 31st May 2010, it is expected that the waste management division will eventually lead the company with regards to both revenue generation and ROI.

The commercial property management consisted of the letting of disused former production facilities on the Klondyke Estate. The units are let primarily to small start-up companies looking for their first premise and demand has been high during the year and is expected to hold steady in the forthcoming years. The commercial property business contributed approximately 35 % of revenue.

SHEPPY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2010

DIRECTORS

The directors who served during the year were

C K Stevens (removed 2 December 2010)
P C Stevens
M Smart (appointed 9 April 2010)
A C Stevens (appointed 9 April 2010)
M J C Stevens (resigned 14 March 2010)
M Dowling (appointed 9 April 2010)

GOING CONCERN

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors confirm that they consider that the going concern basis remains appropriate. The directors have taken notice of the Financial Reporting Council guidance 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009' which requires the reasons for this decision to be explained. The directors believe that there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

PROVISION OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that


- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

AUDITOR

The auditor, Crowe Clark Whitehill LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 5 JULY 2011 and signed on its behalf


A C Stevens
Director

SHEPPY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SHEPPY LIMITED

We have audited the financial statements of Sheppy Limited for the year ended 31 May 2010, set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 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 AUDITOR

As explained more fully in the Statement of directors' responsibilities, 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 OF THE FINANCIAL STATEMENTS

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.

OPINION ON 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 May 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER 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.

SHEPPY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SHEPPY LIMITED

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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' report

Crowe Clark Whitehill LLP

Mark Anderson (Senior statutory auditor)

for and on behalf of

Crowe Clark Whitehill LLP

Chartered Accountants
Statutory Auditor

10 Palace Avenue
Maidstone
Kent

ME15 6NF

Date *13 July 2011*

SHEPPY LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2010**

	Note	2010 £	2009 £
TURNOVER	1	225,915	309,021
Cost of sales		<u>(207,926)</u>	<u>(248,002)</u>
GROSS PROFIT		17,989	61,019
Administrative expenses		(209,419)	(123,030)
Other operating income	2	<u>120,110</u>	<u>123,885</u>
OPERATING (LOSS)/PROFIT	3	(71,320)	61,874
EXCEPTIONAL ITEMS			
Other exceptional items	5	<u>(106,119)</u>	<u>-</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		(177,439)	61,874
Income from shares in group undertakings		897,183	34,286
Interest receivable and similar income		30	653
Amounts written off investments		-	42,810
Interest payable and similar charges		<u>(10,621)</u>	<u>(18,418)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		709,153	121,205
Tax on profit on ordinary activities	6	<u>10,844</u>	<u>(10,844)</u>
PROFIT FOR THE FINANCIAL YEAR	14	<u>719,997</u>	<u>110,361</u>

The notes on pages 8 to 14 form part of these financial statements

SHEPPY LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MAY 2010**

	2010 £	2009 £
PROFIT FOR THE FINANCIAL YEAR	719,997	110,361
Unrealised surplus on revaluation of fixed asset investments	-	42,810
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	719,997	153,171

The notes on pages 8 to 14 form part of these financial statements

SHEPPY LIMITED
REGISTERED NUMBER. 01543842

BALANCE SHEET
AS AT 31 MAY 2010

	Note	£	2010 £	£	2009 £
FIXED ASSETS					
Tangible assets	7		182,598		172,141
Investment property	8		144,314		144,314
Investments	9		851,587		957,706
			<u>1,178,499</u>		<u>1,274,161</u>
CURRENT ASSETS					
Stocks		24,603		29,868	
Debtors	10	1,948,560		999,683	
		<u>1,973,163</u>		<u>1,029,551</u>	
CREDITORS : amounts falling due within one year	11	(866,990)		(681,110)	
NET CURRENT ASSETS			<u>1,106,173</u>		<u>348,441</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,284,672</u>		<u>1,622,602</u>
CREDITORS : amounts falling due after more than one year	12		(9,366)		(27,574)
NET ASSETS			<u>2,275,306</u>		<u>1,595,028</u>
CAPITAL AND RESERVES					
Called up share capital	13		575,109		575,109
Share premium account	14		544,321		544,321
Profit and loss account	14		1,155,876		475,598
SHAREHOLDERS' FUNDS			<u>2,275,306</u>		<u>1,595,028</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

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

5 July 2011

P C Stevens
Director

The notes on pages 8 to 14 form part of these financial statements

SHEPPY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2010

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Cash flow

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.3 Turnover

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

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

1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.6 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 April 2008) and are not depreciated. This treatment is contrary to the Companies Act 2006 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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2010

1 ACCOUNTING POLICIES (continued)

1.7 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.

1.8 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.

1.9 Going Concern

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors confirm that they consider that the going concern basis remains appropriate. The directors have taken notice of the Financial Reporting Council guidance 'Going Concern and Liquidity Risk Guidance for Directors of UK Companies 2009' which requires the reasons for this decision to be explained. The directors believe that there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2 OTHER OPERATING INCOME

	2010	2009
	£	£
Rental income	<u>120,110</u>	<u>123,885</u>

3. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging

	2010	2009
	£	£
Depreciation of tangible fixed assets		
- owned by the company	19,835	16,244
Auditors' remuneration	<u>9,728</u>	<u>4,778</u>

SHEPPY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2010**

4 DIRECTORS' REMUNERATION

	2010 £	2009 £
Aggregate emoluments	<u>26,290</u>	<u>5,645</u>

5. EXCEPTIONAL ITEMS

	2010 £	2009 £
Impairment of investment in subsidiary	<u>106,119</u>	<u>-</u>

6 TAXATION

	2010 £	2009 £
Analysis of tax (credit)/charge in the year		
UK corporation tax charge on profit for the year	-	10,844
Adjustments in respect of prior periods	(10,844)	-
Tax on profit on ordinary activities	<u>(10,844)</u>	<u>10,844</u>

7 TANGIBLE FIXED ASSETS

	Freehold property £	Plant & machinery £	Motor vehicles £	Office equipment £
Cost				
At 1 June 2009	180,720	361,818	44,662	32,280
Additions	13,000	13,500	557	985
At 31 May 2010	<u>193,720</u>	<u>375,318</u>	<u>45,219</u>	<u>33,265</u>
Depreciation				
At 1 June 2009	56,219	342,343	22,727	28,429
Charge for the year	3,844	8,244	5,623	967
At 31 May 2010	<u>60,063</u>	<u>350,587</u>	<u>28,350</u>	<u>29,396</u>
Net book value				
At 31 May 2010	<u>133,657</u>	<u>24,731</u>	<u>16,869</u>	<u>3,869</u>
At 31 May 2009	<u>124,501</u>	<u>19,475</u>	<u>21,935</u>	<u>3,851</u>

SHEPPY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2010**

7 TANGIBLE FIXED ASSETS (continued)

	Other fixed assets £	Total £
Cost		
At 1 June 2009	3,500	622,980
Additions	2,250	30,292
At 31 May 2010	5,750	653,272
Depreciation		
At 1 June 2009	1,121	450,839
Charge for the year	1,157	19,835
At 31 May 2010	2,278	470,674
Net book value		
At 31 May 2010	3,472	182,598
At 31 May 2009	2,379	172,141

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2010 £	2009 £
Motor vehicles	13,704	18,272

8 INVESTMENT PROPERTY

	Freehold investment property £
Cost	
At 1 June 2009 and 31 May 2010	144,314

The 2010 valuations were made by the directors, on an open market value for existing use basis

SHEPPY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2010**

9. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Cost or valuation	
At 1 June 2009 and 31 May 2010	957,706
Impairment	
At 1 June 2009	-
Charge for the year	106,119
At 31 May 2010	106,119
Net book value	
At 31 May 2010	851,587
At 31 May 2009	957,706

Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
Stevens Chemical Manure Limited	Ordinary shares	100%
Matahari 306 Limited	Ordinary shares	86%
Sheppy Services Limited	Ordinary shares	100%

The aggregate of the share capital and reserves as at 31 May 2010 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Stevens Chemical Manure Limited	42,810	-
Matahari 306 Limited	8,505	-
Sheppy Services Limited	19,890	-

Investments in subsidiaries includes an investment in Matahari 306 Limited of £788,887. Matahari 306 Limited owns 100% of the share capital of Sheppy Industries Limited which in turn owns 100% of Montash Properties Limited.

SHEPPY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2010**

10 DEBTORS

	2010 £	2009 £
Trade debtors	45,011	48,945
Amounts owed by group undertakings	1,859,055	907,285
Other debtors	44,494	43,453
	<u>1,948,560</u>	<u>999,683</u>

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

	2010 £	2009 £
Bank loans and overdrafts	330,336	305,454
Net obligations under finance leases and hire purchase contracts	3,883	17,131
Trade creditors	112,944	71,352
Amounts owed to group undertakings	372,828	228,408
Corporation tax	15,193	26,037
Social security and other taxes	8,463	1,154
Other creditors	23,343	31,574
	<u>866,990</u>	<u>681,110</u>

**12. CREDITORS
Amounts falling due after more than one year**

	2010 £	2009 £
Bank loans	-	27,574
Net obligations under finance leases and hire purchase contracts	9,366	-
	<u>9,366</u>	<u>27,574</u>

13. SHARE CAPITAL

	2010 £	2009 £
Allotted, called up and fully paid		
66,537 Ordinary £1 shares of £1 each	66,537	66,537
2 Deferred shares of £1 each	2	2
508,570 Preference shares of £1 each	508,570	508,570
	<u>575,109</u>	<u>575,109</u>

SHEPPY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2010**

14 RESERVES

	Share premium account £	Profit and loss account £
At 1 June 2009	544,321	475,598
Profit for the year		719,997
Dividends Equity capital		(39,719)
At 31 May 2010	<u>544,321</u>	<u>1,155,876</u>

15. DIVIDENDS

	2010 £	2009 £
Dividends paid on equity capital	<u>39,719</u>	<u>-</u>

16. RELATED PARTY TRANSACTIONS

Included in debtors and creditors are amounts due to and from group companies. The balances at the year end are as follows -

	2010 £	2009 £
Sheppy Industries Limited	(239,304)	(94,885)
Stevens Chemical Manure Company Limited	(42,810)	(42,810)
Matahari 306 Limited	(90,714)	(90,714)
Montash Properties Limited	<u>1,859,055</u>	<u>907,284</u>

17. CONTROLLING PARTY

No one person has individual control of the company