
SHEPPY LIMITED

ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 1998



AUDITORS' REPORT TO SHEPPY LIMITED
pursuant to section 247 B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 2 to 5 together with the financial statements of Sheppy Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 May 1998.

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 accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

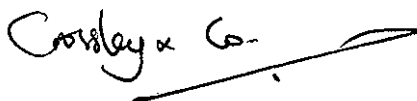
Basis of opinion

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. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 (5) and (6), 247 and 249 of the Companies Act 1985 and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

Crossley & Co



11th November 1998.

Chartered Accountants
& Registered Auditors
The Precinct
Cathedral Close
Rochester
Kent ME1 1SZ
11 November 1998

SHEPPY LIMITED

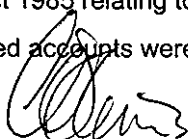
ABBREVIATED BALANCE SHEET
As at 31 May 1998

	Note	£	1998 £	£	1997 £
FIXED ASSETS					
Tangible fixed assets	2		222,086		248,339
Investments	3		914,896		914,896
			<u>1,136,982</u>		<u>1,163,235</u>
CURRENT ASSETS					
Stocks		138,001		193,230	
Debtors		1,308,677		1,346,770	
Cash at bank and in hand		70		1,159	
		<u>1,446,748</u>		<u>1,541,159</u>	
CREDITORS: amounts falling due within one year		<u>(695,513)</u>		<u>(808,349)</u>	
NET CURRENT ASSETS			<u>751,235</u>		<u>732,810</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,888,217</u>		<u>1,896,045</u>
CREDITORS: amounts falling due after more than one year			<u>(431,689)</u>		<u>(437,736)</u>
PROVISIONS FOR LIABILITIES AND CHARGES			<u>(28,500)</u>		<u>(31,000)</u>
NET ASSETS			<u>£ 1,428,028</u>		<u>£ 1,427,309</u>
CAPITAL AND RESERVES					
Called up share capital	4		575,109		575,109
Share premium account			544,321		544,321
Profit and loss account			308,598		307,879
SHAREHOLDERS' FUNDS			<u>£ 1,428,028</u>		<u>£ 1,427,309</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The abbreviated accounts were approved by the board on 10 November 1998 and signed on its behalf

C K Stevens



Director

The notes on pages 3 to 5 form part of these financial statements.

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 May 1998

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 and include the results of the company's operations which are described in the Directors' Report.

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 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 Financial Reporting Standard 1.

1.3 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

New Office	-	5%	Straight line
Plant & machinery	-	10-25%	Straight line and reducing balance
Motor vehicles	-	25%	Reducing balance
Office equipment	-	10-25%	Straight line and reducing balance
Freehold Properties	-		see note 1.11

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 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

1.7 Stocks and work in progress

Stocks and work in progress 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.

1.8 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the 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 differences are taken into account in arriving at the operating profit.

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 May 1998

1.9 Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

1.10 Pensions

The company provides pensions by invitation only, to full time employees over the age of 21, through two pension schemes. The Sheppy Staff Pension and Assurance Scheme is a group personal pension scheme and the The Sheppy Fertilisers Executive Pension Scheme is a defined contribution scheme. The assets of the schemes are held independently of the company. The amount charged to the profit and loss account is the amount payable in the year.

1.11 Freehold Properties

Depreciation is not provided on freehold properties. The directors consider that, after taking into account the Company's policy of maintaining these properties in a continual state of sound repair and making improvements from time to time, the expected residual value of each property, assessed on the prices prevailing at the time of acquisition or revaluation, are not materially different from the amount at which these properties are included in the accounts. The directors also consider that the remaining useful life of each property is more than 50 years. Therefore depreciation would be insignificant. Any further permanent diminution in value will be charged through the profit and loss account as identified.

1.12 Amortisation of Goodwill

Goodwill was amortised evenly over its expected useful life of 5 years and has been fully written off.

2. TANGIBLE ASSETS

	£
Cost	
At 1 June 1997	626,021
Additions	18,490
Disposals	(26,427)
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At 31 May 1998	618,084
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Depreciation	
At 1 June 1997	377,682
Charge for year	31,914
On disposals	(13,598)
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At 31 May 1998	395,998
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Net Book Value	
At 31 May 1998	£ 222,086
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At 31 May 1997	£ 248,339
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NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 May 1998

3. FIXED ASSET INVESTMENTS

	£
Cost	
At 1 June 1997	914,896
At 31 May 1998	<u>914,896</u>
Net Book Value	
At 31 May 1998	<u>£ 914,896</u>
At 31 May 1997	<u>£ 914,896</u>

Investments include an investment in a subsidiary, Stevens Chemical Manure Company Limited, (Dormant) comprising a holding of 100% of its issued ordinary capital.

During its latest financial year Stevens Chemical Manure Company Limited was a non-trading company and at the end of that year the aggregate of its capital and reserves was £42,810 (1997 - £42,810).

Investments include an investment in a subsidiary, Sheppy Fertilisers Limited, comprising a holding of 100% of its issued ordinary capital.

During its latest financial year Sheppy Fertilisers Limited made a loss of £(131,778) (1997 - £134,499) and at the end of that year the aggregate of its capital and reserves was £499,279 (1997 - £628,003).

Investments include an investment in a subsidiary, Matahari 306 Limited (Dormant), a company registered in England, comprising a holding of 85.7% of its issued ordinary capital.

During its latest financial year Matahari 306 Limited (Dormant), was a non-trading company and at the end of that year the aggregate of its capital and reserves was £8,505 (1997 - £8,505).

Investments include an investment in Sheppy Industries Limited (Property investments), wholly owned by Matahari 306 Limited (Property investment company and equipment lessors).

During its latest financial year Sheppy Industries Limited made a profit of £86,324 (1997 - £181,533) and at the end of that year the aggregate of its capital and reserves was 2,268,434 (1997 - £2,050,333).

Investments include an investment in Montash Properties Limited (Property investments and car park rental), wholly owned by Sheppy Industries Limited.

During its latest financial year Montash Properties Limited made a profit of £27,294 (1997 - £19,666) and at the end of that year the aggregate of its capital and reserves was 351,455 (1997 - £323,858).

4. CALLED UP SHARE CAPITAL

	1998 £	1997 £
Authorised		
66,537 ordinary shares of £1 each	66,537	66,537
2 Irredeemable non-voting 8.52% shares of £1 each (Cumulative Preference Shares)	<u>2</u>	<u>2</u>
	<u>£ 66,539</u>	<u>£ 66,539</u>
Allotted, called up and fully paid		
66,539 ordinary shares of £1 each	66,539	66,539
508,570 Irredeemable non-voting 8.52% shares of £1 each (Cumulative Preference Shares)	<u>508,570</u>	<u>508,570</u>
	<u>£ 575,109</u>	<u>£ 575,109</u>