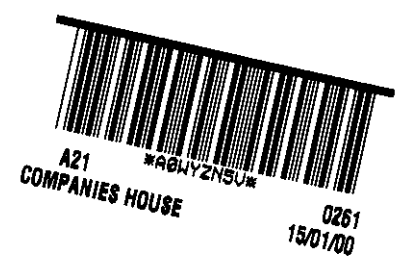


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**SHEPPY LIMITED**

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**ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED  
31 MAY 1999**



SHEPPY LIMITED

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

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We have examined the abbreviated accounts set out on pages 2 to 6 together with the financial statements of SHEPPY LIMITED for the year ended 31 May 1999 prepared under section 226 of the Companies Act 1985.

**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 246(6) of the Companies Act 1985 and the abbreviated accounts on pages 2 to 6 are properly prepared in accordance with those provisions.

Crossley & Co

*Crossley & Co.*

Chartered Accountants  
The Precinct  
Cathedral Close  
Rochester  
Kent ME1 1SZ

Date:

*5<sup>th</sup> January 2000*

SHEPPY LIMITED

ABBREVIATED BALANCE SHEET  
As at 31 May 1999

	Note	£	1999 £	£	1998 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	2		265,663		222,088
Investments	3		914,896		914,896
			<u>1,180,559</u>		<u>1,136,984</u>
<b>CURRENT ASSETS</b>					
Stocks		110,316		138,001	
Debtors		1,306,132		1,308,677	
Cash in hand		37		70	
		<u>1,416,485</u>		<u>1,446,748</u>	
<b>CREDITORS: amounts falling due within one year</b>	4	<u>(949,855)</u>		<u>(695,514)</u>	
<b>NET CURRENT ASSETS</b>			<u>466,630</u>		<u>751,234</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>£ 1,647,189</u>		<u>£ 1,888,218</u>
<b>CREDITORS: amounts falling due after more than one year</b>	4		<u>(355,487)</u>		<u>(431,689)</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			<u>(36,200)</u>		<u>(28,500)</u>
<b>NET ASSETS</b>			<u>£ 1,255,502</u>		<u>£ 1,428,029</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	5		575,109		575,109
Share premium account			544,321		544,321
Profit and loss account			136,072		308,599
<b>SHAREHOLDERS' FUNDS</b>			<u>£ 1,255,502</u>		<u>£ 1,428,029</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 17/12/99 and signed on its behalf.



Director

The notes on pages 3 to 6 form part of these financial statements.

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**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 May 1999

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**1. ACCOUNTING POLICIES****1.1 Basis of preparation of financial statements**

The accounts have been prepared under the historical cost convention.

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:

Freehold buildings	-	5%	Straight Line
Plant & machinery	-	10-25%	Straight line & Reducing balance
Motor vehicles	-	25%	Reducing balance
Office equipment	-	10-25%	Straight line & 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 the 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.

# SHEPPY LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS For the year ended 31 May 1999

### 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 Sheppy Fertilisers Executive Pension Scheme is a defined contribution scheme. The assets of the scheme 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 permanent diminution in value will be charged through the profit and loss account as identified.

### 1.12 Goodwill

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

## 2. TANGIBLE FIXED ASSETS

	£
<b>Cost</b>	
At 1 June 1998	618,085
Additions	92,797
Disposals	(58,831)
	<hr/>
At 31 May 1999	652,051
<b>Depreciation</b>	
At 1 June 1998	395,997
Charge for year	38,897
On disposals	(48,506)
	<hr/>
At 31 May 1999	386,388
	<hr/>
<b>Net Book Value</b>	
At 31 May 1999	£ 265,663
	<hr/>
At 31 May 1998	£ 222,088
	<hr/>

# SHEPPY LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS For the year ended 31 May 1999

### 3. FIXED ASSET INVESTMENTS

	£
<b>Cost</b>	
At 1 June 1998	914896
At 31 May 1999	914896
<b>Net Book Value</b>	
At 31 May 1999	£ 914,896
At 31 May 1998	£ 914896

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

During its latest financial year Stevens Chemical Manure Company Limited made a loss of £NIL (1998 - £NIL) and at the end of that year the aggregate of its capital and reserves was £42810 (1998 - £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 profit after tax of £144027 (1998 - £122,924) and at the end of that year the aggregate of its capital and reserves was £529123 (1998 - £505,078).

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

During its latest financial year Matahari 306 Limited was a non-trading company and at the end of that year the aggregate of its capital and reserves was £8,505 (1998 - £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 after tax of £144,027 (1998 - £82,315) and at the end of that year the aggregate of its capital and reserves was £2,408,461 (1998 - £2,264,434).

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 after tax of £33,189 (1998 - £27,307) and at the end of that year the aggregate of its capital and reserves was £502,215 (1998 - £351,165).

### 4. CREDITORS

Creditors include loans not wholly repayable within 5 years as follows:

	1999 £	1998 £
Repayable by instalments falling due:		
- within 5 years	240000	240000
- after 5 years	91117	179643
	£ 331117	£ 419643

Creditors amounting to £300044 (1998 - £282,230) are secured.

SHEPPY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
For the year ended 31 May 1999

5. CALLED UP SHARE CAPITAL

	1999 £	1998 £
<b>Authorised</b>		
66,537 Ordinary shares of £1.00 each	66,537	66,537
2 Deferred shares of £1.00 each	2	2
shares of £1.00 each	-	-
508,570 Cumulative Preference shares of £1.00 each	508,570	508,570
	<u>£ 575,109</u>	<u>£ 575,109</u>
<b>Allotted, called up and fully paid</b>		
66,539 Ordinary shares of £1.00 each	66,539	66,539
508,570 Preference shares of £1.00 each	508,570	508,570
	<u>£ 575,109</u>	<u>£ 575,109</u>