

Company Registration No. 01108438 (England and Wales)

SCALDERHURST LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2007

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SCALDERHURST LIMITED

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SCALDERHURST LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2007

The directors present their report and financial statements for the year ended 30 June 2007

Principal activities and review of the business

The principal activity of the company continued to be that of the wholesaling of paper and board

The company, having completed the refurbishment of its premises and modernisation of business operations in the previous year, has had an encouraging trading year with an increase in turnover of 17.5% in the period shown in the profit and loss account on page 5

The results for the year and the financial position as disclosed in the balance sheet on page 6 shows that the company has continued to grow and had net current assets of £1,496,025 (2006 £1,446,284) and overall net assets grew by £49,741

Difficult trading conditions prompted the company to undertake a risk review during the year. As a result, a policy has been implemented that the company would credit insure all its trade debtors and only deal with customers on which the company can obtain credit insurance

The results for the year are set out on page 5. Gross margins are 14.6% (2006 26.7%) and return on capital employed was 3.3% compared to (3.1%) for 2006

Results and dividends

The results for the year are set out on page 4

During the year, the company has not paid out any dividends

Directors

The following directors have held office since 1 July 2006

J L Fowler

V J Fowler

R J Fowler

Charitable donations

2007

2006

£

£

During the year the company made the following payments

Charitable donations

356

275

Auditors

Baxter & Co were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting

SCALDERHURST LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2007

Directors' responsibilities

The directors are responsible for preparing 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). The financial statements are required by law to 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 those financial statements, the directors are required to

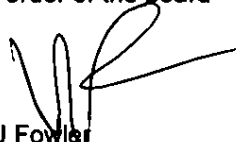
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that 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 1985. 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



V J Fowler
Secretary

18 October 2007

SCALDERHURST LIMITED

INDEPENDENT AUDITORS' REPORT TO SCALDERHURST LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 15, together with the financial statements of Scaldershurst Limited for the year ended 30 June 2007 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 them in an auditor's report on abbreviated accounts 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

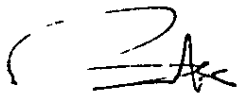
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's 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 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.



Baxter & Co

19 October 2007

Chartered Certified Accountants
Registered Auditor

Lynwood House
Crofton Road
Orpington
Kent BR6 8QE

SCALDERHURST LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2007

	Notes	2007 £	2006 £
Gross profit		980,667	1,519,004
Administrative expenses		(897,477)	(1,502,134)
Operating profit	2	<u>83,190</u>	<u>16,870</u>
Other interest receivable and similar income		-	37
Interest payable and similar charges	4	(1,311)	(3)
Profit on ordinary activities before taxation		<u>81,879</u>	<u>16,904</u>
Tax on profit on ordinary activities	5	(32,138)	(60,760)
Profit/(loss) for the year	12	<u><u>49,741</u></u>	<u><u>(43,856)</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

SCALDERHURST LIMITED

ABBREVIATED BALANCE SHEET

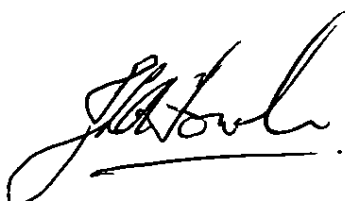
AS AT 30 JUNE 2007

	Notes	2007		2006	
		£	£	£	£
Fixed assets					
Tangible assets	6		1,172,843		1,283,184
Current assets					
Stocks	7	1,710,841		1,433,881	
Debtors	8	1,968,039		1,506,292	
Cash at bank and in hand		37,401		175,417	
		<u>3,716,281</u>		<u>3,115,590</u>	
Creditors: amounts falling due within one year	9	<u>(3,392,456)</u>		<u>(2,948,245)</u>	
Net current assets			323,825		167,345
Total assets less current liabilities			<u>1,496,668</u>		<u>1,450,529</u>
Provisions for liabilities	10		(643)		(4,245)
			<u>1,496,025</u>		<u>1,446,284</u>
Capital and reserves					
Called up share capital	11		99		99
Profit and loss account	12		1,495,926		1,446,185
Shareholders' funds	13		<u>1,496,025</u>		<u>1,446,284</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

Approved by the Board and authorised for issue on 18 October 2007

J L Fowler
Director



R J Fowler
Director



SCALDERHURST LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	2007		2006
	£	£	£
Net cash (outflow)/inflow from operating activities	(89,087)		609,535
Returns on investments and servicing of finance			
Interest received	-	37	
Interest paid	(1,311)	(3)	
Net cash (outflow)/inflow for returns on investments and servicing of finance	(1,311)		34
Taxation	(11,456)		-
Capital expenditure			
Payments to acquire tangible assets	(26,385)	(330,608)	
Receipts from sales of tangible assets	12,251	360,064	
Net cash (outflow)/inflow for capital expenditure	(14,134)		29,456
Net cash (outflow)/inflow before management of liquid resources and financing	(115,988)		639,025
Financing			
Repayment of other short term loans	-	(115,000)	
Capital element of hire purchase contracts	(6,534)	-	
Net cash outflow from financing	(6,534)		(115,000)
(Decrease)/increase in cash in the year	(122,522)		524,025

SCALDERHURST LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

1	Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2007	2006
		£	£
	Operating profit	83,190	16,870
	Depreciation of tangible assets	141,939	160,386
	Loss/(profit) on disposal of tangible assets	4,535	(15,286)
	Increase in stocks	(276,960)	(450,212)
	(Increase)/decrease in debtors	(473,535)	1,057,063
	Increase/(decrease) in creditors within one year	416,250	(159,286)
	Net effect of foreign exchange differences	15,494	-
	Net cash (outflow)/inflow from operating activities	(89,087)	609,535

2	Analysis of net funds	1 July 2006	Cash flow	Other non-cash changes	30 June 2007
		£	£	£	£
	Net cash				
	Cash at bank and in hand	175,417	(122,522)	(15,494)	37,401
	Debt				
	Finance leases	-	(15,465)	-	(15,465)
	Net funds	175,417	(137,987)	(15,494)	21,936

3	Reconciliation of net cash flow to movement in net funds	2007	2006
		£	£
	(Decrease)/increase in cash in the year	(122,522)	524,025
	Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(15,465)	115,000
	Net effect of foreign exchange differences	(15,494)	-
	Movement in net funds in the year	(153,481)	639,025
	Opening net funds/(debt)	175,417	(463,608)
	Closing net funds	21,936	175,417

SCALDERHURST LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2007

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT 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 less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Freehold	Straight line over thirty years
Land and buildings Leasehold	Straight line over the life of the lease
Plant and machinery	20% Reducing Balance
Fixtures, fittings & equipment	15% Reducing Balance
Motor vehicles	25% Reducing Balance

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock

Stock is valued at the lower of cost and net realisable value

1.7 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.8 Foreign currency translation

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

SCALDERHURST LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2007

2	Operating profit	2007	2006
		£	£
	Operating profit is stated after charging		
	Depreciation of tangible assets	141,939	160,386
	Loss on disposal of tangible assets	4,535	-
	Loss on foreign exchange transactions	15,494	-
	Operating lease rentals	111,875	66,875
	Auditors' remuneration	8,500	7,000
	and after crediting		
	Profit on disposal of tangible assets	-	(15,286)
		<u> </u>	<u> </u>
3	Investment income	2007	2006
		£	£
	Bank interest	-	37
		<u> </u>	<u> </u>
4	Interest payable	2007	2006
		£	£
	Hire purchase interest	1,311	-
	On overdue tax	-	3
		<u> </u>	<u> </u>
		<u>1,311</u>	<u>3</u>

SCALDERHURST LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2007

5 Taxation	2007	2006
	£	£
Domestic current year tax		
U K corporation tax	38,400	25,904
Adjustment for prior years	(2,660)	30,611
	<u>35,740</u>	<u>56,515</u>
Current tax charge		
Deferred tax		
Deferred tax charge/credit current year	(3,602)	4,245
	<u>32,138</u>	<u>60,760</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>81,879</u>	<u>16,904</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006 - 30.00%)	<u>24,564</u>	<u>5,071</u>
Effects of		
Non deductible expenses	6,228	4,855
Depreciation add back	42,581	48,116
Capital allowances	(21,431)	(17,219)
Adjustments to previous periods	(2,660)	30,611
Chargeable disposals	1,361	(4,586)
Marginal tax relief adjustment	(14,903)	(10,333)
	<u>11,176</u>	<u>51,444</u>
Current tax charge	<u>35,740</u>	<u>56,515</u>

SCALDERHURST LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2007

6 Tangible fixed assets

	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 July 2006	1,601,638	453,711	55,473	158,074	2,268,896
Additions	16,838	-	795	30,752	48,385
Disposals	-	(25,134)	-	(74,770)	(99,904)
At 30 June 2007	1,618,476	428,577	56,268	114,056	2,217,377
Depreciation					
At 1 July 2006	480,355	339,699	39,164	126,495	985,713
On disposals	-	(24,920)	-	(58,198)	(83,118)
Charge for the year	104,428	22,760	3,310	11,441	141,939
At 30 June 2007	584,783	337,539	42,474	79,738	1,044,534
Net book value					
At 30 June 2007	1,033,693	91,038	13,794	34,318	1,172,843
At 30 June 2006	1,121,283	114,012	16,310	31,579	1,283,184

Included above are assets held under finance leases or hire purchase contracts as follows

	Motor vehicles £
Net book values	
At 30 June 2007	23,064
Depreciation charge for the year	
At 30 June 2007	7,688

7 Stocks

	2007 £	2006 £
Finished goods and goods for resale	1,710,841	1,433,881

SCALDERHURST LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2007

8 Debtors	2007	2006
	£	£
Trade debtors	1,816,188	1,345,066
Corporation tax	-	11,788
Other debtors	1,500	19,798
Prepayments and accrued income	150,351	129,640
	<u>1,968,039</u>	<u>1,506,292</u>

9 Creditors: amounts falling due within one year	2007	2006
	£	£
Net obligations under hire purchase contracts	15,465	-
Trade creditors	2,212,992	1,860,662
Corporation tax	38,400	25,904
Other taxes and social security costs	76,218	6,512
Directors' current accounts	-	500
Other creditors	1,025,171	1,026,632
Accruals and deferred income	24,210	28,035
	<u>3,392,456</u>	<u>2,948,245</u>

Net obligations under hire purchase contracts		
Repayable within one year	16,776	-
Finance charges and interest allocated to future accounting periods	(1,311)	-
	<u>15,465</u>	<u>-</u>

SCALDERHURST LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2007

10 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 July 2006	4,245
Profit and loss account	(3,602)
	<hr/>
Balance at 30 June 2007	643
	<hr/> <hr/>

The deferred tax liability is made up as follows:

	2007 £	2006 £
Accelerated capital allowances	643	4,245
	<hr/> <hr/>	<hr/> <hr/>

11 Share capital

	2007 £	2006 £
Authorised		
100 Ordinary shares of £1 each	100	100
	<hr/> <hr/>	<hr/> <hr/>
Allotted, called up and fully paid		
99 Ordinary shares of £1 each	99	99
	<hr/> <hr/>	<hr/> <hr/>

12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 July 2006	1,446,185
Profit for the year	49,741
	<hr/>
Balance at 30 June 2007	1,495,926
	<hr/> <hr/>

SCALDERHURST LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2007

13 Reconciliation of movements in shareholders' funds	2007	2006
	£	£
Profit/(Loss) for the financial year	49,741	(43,856)
Opening shareholders' funds	1,446,284	1,490,140
	<hr/>	<hr/>
Closing shareholders' funds	1,496,025	1,446,284
	<hr/> <hr/>	<hr/> <hr/>

14 Financial commitments

At 30 June 2007 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2008

	Land and buildings	
	2007	2006
	£	£
Operating leases which expire In over five years	111,875	66,875
	<hr/> <hr/>	<hr/> <hr/>

15 Directors' emoluments	2007	2006
	£	£
Emoluments for qualifying services	106,476	118,922
	<hr/> <hr/>	<hr/> <hr/>

16 Transactions with directors

The company paid property rents of £111,875 (2006 £66,875) to J L & V J Fowler on commercial terms. At the balance sheet date the amount outstanding was £27,969 (2006 £16,719). Additionally, J L and V J Fowler are partners in Ford Mill Fishenes from whom the company bought services to the value of £88,628 (2006 £49,100) on arms length terms.

SCALDERHURST LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2007

17 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2007 Number	2006 Number
Directors	3	3
Other employees	6	7
	<u>9</u>	<u>10</u>

Employment costs

	2007 £	2006 £
Wages and salaries	189,943	208,514
Social security costs	19,507	26,832
	<u>209,450</u>	<u>235,346</u>