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Report of the Directors and  
Financial Statements  
for the Year Ended 31 July 2009  
for  
Scott Products Ltd

WEDNESDAY



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COMPANIES HOUSE

**Scott Products Ltd**

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for the Year Ended 31 July 2009**

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**Scott Products Ltd**

**Company Information**  
**for the Year Ended 31 July 2009**

**DIRECTORS:**

A W Welton  
Ms K A Darlington

**SECRETARY:**

Mrs M C Welton

**REGISTERED OFFICE:**

1 Whiteside  
Station Road  
Holmes Chapel  
Cheshire  
CW4 8AA

**REGISTERED NUMBER:**

04485487 (England and Wales)

**AUDITORS:**

West Reynolds  
Chartered Accountants and Registered Auditors  
Black Barn  
Gay Dawn Farm  
Valley Road  
Fawkham  
Kent  
DA3 8LX

**Scott Products Ltd**

**Report of the Directors**  
**for the Year Ended 31 July 2009**

The directors present their report with the financial statements of the company for the year ended 31 July 2009

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of wholesale distribution

**REVIEW OF BUSINESS**

On 31 July 2004 the company transferred all of its assets and liabilities up to its parent company

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 August 2008 to the date of this report

A W Welton  
Ms K A Darlington

The shareholdings of the directors in the ultimate parent company are disclosed in that company's financial statements

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 judgements and accounting 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

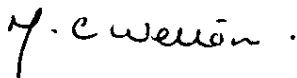
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

**AUDITORS**

The auditors, West Reynolds, will be proposed for re-appointment at the forthcoming Annual General Meeting This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

**ON BEHALF OF THE BOARD:**



Mrs M C Welton - Secretary

25 March 2010

**Report of the Independent Auditors to the Shareholders of  
Scott Products Ltd**

We have audited the financial statements of Scott Products Ltd for the year ended 31 July 2009 on pages five to eight. 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 Sections 495 and 496 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 a Report of the Auditors 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 auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 July 2009 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.

**Emphasis of Matter**

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures made in the financial statements about the company's ability to continue as a going concern. The directors believe that no significant adjustments would be needed to restate the accounts on a cessation basis, if the company were unable to continue as a going concern.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Shareholders of  
Scott Products Ltd**

**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 and the Report of the Directors in accordance with the small companies regime



Neil Reynolds (Senior Statutory Auditor)  
for and on behalf of West Reynolds  
Chartered Accountants and Registered Auditors  
Black Barn  
Gay Dawn Farm  
Valley Road  
Fawkham  
Kent  
DA3 8LX

25 March 2010

**Scott Products Ltd**

**Profit and Loss Account**  
**for the Year Ended 31 July 2009**

|  | Notes | 2009<br>£        | 2008<br>£        |
|--|-------|------------------|------------------|
| <b>TURNOVER</b>  |       | -                | -                |
| Administrative expenses                                  |       | <u>8</u>         | <u>595</u>       |
| <b>OPERATING LOSS</b>                                    | 2     | <b>(8)</b>       | <b>(595)</b>     |
| Interest receivable and similar income                   |       | <u>49</u>        | <u>627</u>       |
|  |       | <b>41</b>        | <b>32</b>        |
| Interest payable and similar charges                     |       | <u>-</u>         | <u>14</u>        |
| <b>PROFIT ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b> |       | <b>41</b>        | <b>18</b>        |
| Tax on profit on ordinary activities                     | 3     | <u>-</u>         | <u>-</u>         |
| <b>PROFIT FOR THE FINANCIAL YEAR<br/>AFTER TAXATION</b>  |       | <b><u>41</u></b> | <b><u>18</u></b> |

The notes form part of these financial statements

**Scott Products Ltd**

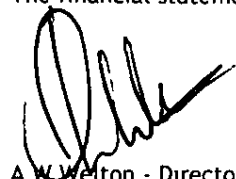
**Balance Sheet**

**31 July 2009**

|  | Notes | 2009<br>£               | 2008<br>£               |
|--|-------|-------------------------|-------------------------|
| <b>CURRENT ASSETS</b>                        |       |                         |                         |
| Debtors                                      | 4     | 205,272                 | 205,272                 |
| Cash at bank                                 |       | 5,534                   | 5,558                   |
|  |       | <u>210,806</u>          | <u>210,830</u>          |
| <b>CREDITORS</b>                             |       |                         |                         |
| Amounts falling due within one year          | 5     | 225,862                 | 225,927                 |
| <b>NET CURRENT LIABILITIES</b>               |       | <u>(15,056)</u>         | <u>(15,097)</u>         |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | <u>(15,056)</u>         | <u>(15,097)</u>         |
| <b>PROVISIONS FOR LIABILITIES</b>            | 6     | 416,453                 | 416,453                 |
| <b>NET LIABILITIES</b>                       |       | <u><u>(431,509)</u></u> | <u><u>(431,550)</u></u> |
| <b>CAPITAL AND RESERVES</b>                  |       |                         |                         |
| Called up share capital                      | 7     | 100                     | 100                     |
| Profit and loss account                      | 8     | (431,609)               | (431,650)               |
| <b>SHAREHOLDERS' FUNDS</b>                   |       | <u><u>(431,509)</u></u> | <u><u>(431,550)</u></u> |

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

The financial statements were approved by the Board of Directors on 25 March 2010 and were signed on its behalf by



A W Welton - Director

The notes form part of these financial statements



**Notes to the Financial Statements  
for the Year Ended 31 July 2009**

**1 ACCOUNTING POLICIES**

**Accounting convention**

The accounts have been prepared in accordance with applicable accounting standards and on the basis that the company can continue to operate as a going concern. The directors believe this basis to be appropriate despite the deficit on the balance sheet resulting from the provisions made in respect of a dispute with a supplier (see note 8). The directors remain hopeful that the company will obtain a favourable settlement from the ensuing court case. However the directors of the parent company have indicated that no further financial support is available.

The directors believe that no significant adjustments would be needed to restate the accounts on a cessation basis, if the company were unable to continue as a going concern.

**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 of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**2 OPERATING LOSS**

The operating loss is stated after charging:

|  | 2009<br>£         | 2008<br>£         |
|--|-------------------|-------------------|
| Auditors' remuneration                         | -                 | 1,000             |
|  | <u>          </u> | <u>          </u> |
| Directors' remuneration and other benefits etc | -                 | -                 |
|  | <u>          </u> | <u>          </u> |

**3 TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 July 2009 nor for the year ended 31 July 2008.

**4 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|               | 2009<br>£         | 2008<br>£         |
|---------------|-------------------|-------------------|
| Trade debtors | 205,272           | 205,272           |
|               | <u>          </u> | <u>          </u> |

**5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                 | 2009<br>£      | 2008<br>£      |
|-----------------|----------------|----------------|
| Trade creditors | 224,862        | 224,927        |
| Other creditors | 1,000          | 1,000          |
|                 | <u>225,862</u> | <u>225,927</u> |

**6 PROVISIONS FOR LIABILITIES**

|                  | 2009<br>£         | 2008<br>£         |
|------------------|-------------------|-------------------|
| Other provisions | 416,453           | 416,453           |
|                  | <u>          </u> | <u>          </u> |

**Scott Products Ltd**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 July 2009**

**6 PROVISIONS FOR LIABILITIES - continued**

|                          | Other<br>provisions<br>£ |
|--------------------------|--------------------------|
| Balance at 1 August 2008 | 401,632                  |
| Balance at 31 July 2009  | <u>401,632</u>           |

The company is currently engaged in a dispute with a major supplier over a joint venture agreement that stipulated the terms and conditions of the supply of goods to Scott Products Ltd. The company is seeking enforcement of this agreement through the courts. All purchases from this supplier have been as included at the prices agreed in the joint venture agreement, not that invoiced by the supplier. A provision of £211,181 has been made representing the adjustment that would be necessary should the joint venture agreement not be enforced by the courts.

In addition the joint venture agreement required a contribution from the supplier towards the operating costs of the company amounting to £205,272 given the dispute these accounts include a provision against the full amount invoiced.

The directors remain hopeful that they will obtain a favourable settlement to the case.

**7 CALLED UP SHARE CAPITAL**

| Allotted, issued and fully paid<br>Number | Class    | Nominal<br>value | 2009<br>£  | 2008<br>£  |
|---|----------|------------------|------------|------------|
| 100                                       | Ordinary | 1                | <u>100</u> | <u>100</u> |

**8 RESERVES**

|                     | Profit<br>and loss<br>account<br>£ |
|---------------------|------------------------------------|
| At 1 August 2008    | (431,650)                          |
| Profit for the year | <u>41</u>                          |
| At 31 July 2009     | <u>(431,609)</u>                   |

**9 ULTIMATE PARENT COMPANY**

The ultimate parent company is Scott Brothers Limited.

**Scott Products Ltd**

**Profit and Loss Account**  
**for the Year Ended 31 July 2009**

|                          | 2009     |           | 2008      |            |
|--------------------------|----------|-----------|-----------|------------|
|                          | £        | £         | £         | £          |
| Income                   |          | -         |           | -          |
| Other income             |          |           |           |            |
| Deposit account interest |          | 49        |           | 627        |
|                          |          | <u>49</u> |           | <u>627</u> |
| Expenditure              |          |           |           |            |
| Auditors' remuneration   | -        |           | 1,000     |            |
| Fines & penalties        | -        |           | 300       |            |
| Bad debts                | -        |           | (705)     |            |
|                          | <u>-</u> | <u>-</u>  | <u>-</u>  | <u>595</u> |
|                          |          | 49        |           | 32         |
| Finance costs            |          |           |           |            |
| Bank charges             | 8        |           | -         |            |
| Bank charges             | -        |           | 14        |            |
|                          | <u>8</u> | <u>8</u>  | <u>14</u> | <u>14</u>  |
| NET PROFIT               |          | <u>41</u> |           | <u>18</u>  |