

Registered number  
SC271115

Ledge 806 Limited  
Report and Accounts  
30 April 2007

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**Ledge 806 Limited**  
**Report and accounts**  
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**Ledge 806 Limited**  
**Company Information**

**Directors**

S M Howie  
M A Todd  
T H M Liddell

**Secretary**

D M Cowper

**Auditors**

Finlaysons  
4 Albert Place  
Perth  
PH2 8JE

**Bankers**

The Royal Bank of Scotland  
12 Dunkeld Road  
Perth  
PH1 5RB

**Solicitors**

Thorntons WS  
Whitehall House  
33 Yeaman Shore  
Dundee  
DD1 4BJ

**Registered office**

Friarton Bridge Park  
Perth  
PH2 8DD

**Registered number**

SC271115

**Ledge 806 Limited**  
**Directors' Report**

The directors present their report and accounts for the year ended 30 April 2007

**Principal activities and review of the business**

The company's principal activity during the year continued to be the recycling of fridges and freezers through its subsidiary, Shore Recycling Limited

The company is in a good position to take advantage of the opportunities that are arising following the introduction of the Waste Electrical and Electronic Equipment Regulations 2006

**Results and dividends**

The company administers the group debt, thereby incurring expense without income. The loss for the year, after taxation, amounted to £394,848 and no dividend is to be paid

**Future developments**

The directors aim to maintain the management policies that have resulted in the company's success in recent years. They consider that the next year is difficult to predict as the recycling market is maturing while volume of materials to be recycled is increasing. The biggest influence on results will be world commodity markets

**Directors**

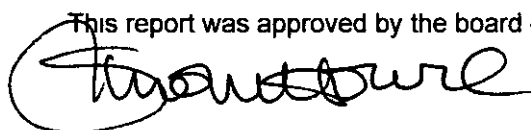
The following directors served during the year

S M Howie  
M A Todd  
T H M Liddell

**Disclosure of information to auditors**

So far as each director at the date of approval of this report is aware there is no relevant audit information of which the company's auditors are unaware, and the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

This report was approved by the board on 18 December 2007



S M Howie  
Director

## **Ledge 806 Limited**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts 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 these accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts,
- prepare the accounts 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 accounts 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.

**Ledge 806 Limited**  
**Independent auditors' report**  
**to the shareholders of Ledge 806 Limited**

We have audited the accounts of Ledge 806 Limited for the year ended 30 April 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 auditors**

The directors' responsibilities for preparing the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the accounts.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

**Opinion**

In our opinion

the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 April 2007 and of its loss for the year then ended,

the accounts have been properly prepared in accordance with the Companies Act 1985, and the information given in the Directors' Report is consistent with the accounts.

*Finlaysons*

Finlaysons  
Registered auditors  
19 December 2007

4 Albert Place  
Perth  
PH2 8JE

**Ledge 806 Limited**  
**Profit and Loss Account**  
**for the year ended 30 April 2007**

|  | <b>Notes</b> | <b>2007<br/>£</b> | <b>2006<br/>£</b> |
|--|--------------|-------------------|-------------------|
| Administrative expenses                            |              | (781)             | (1,286)           |
| <b>Operating loss</b>                              | <b>3</b>     | <u>(781)</u>      | <u>(1,286)</u>    |
| Interest receivable                                |              | 625               |                   |
| Interest payable                                   | <b>4</b>     | (676,229)         | (911,391)         |
| <b>Loss on ordinary activities before taxation</b> |              | <u>(676,385)</u>  | <u>(912,677)</u>  |
| Tax on loss on ordinary activities                 | <b>5</b>     | 281,537           | 97,583            |
| <b>Loss for the financial year</b>                 |              | <u>(394,848)</u>  | <u>(815,094)</u>  |

**Continuing operations**

None of the company's activities were acquired or discontinued during the above two financial years

**Statement of total recognised gains and losses**

The company has no recognised gains or losses other than the loss for the above two financial years

**Ledge 806 Limited**  
**Balance Sheet**  
**as at 30 April 2007**

|  | Notes | 2007<br>£    | 2006<br>£    |
|--|-------|--------------|--------------|
| <b>Fixed assets</b>  |       |              |              |
| Investments  | 6     | 15,753,062   | 15,753,062   |
| <b>Current assets</b>  |       |              |              |
| Debtors  | 7     | 36,102       | 25,054       |
| <b>Creditors' amounts falling due within one year</b>          | 8     | (16,958,031) | (14,252,135) |
| <b>Net current liabilities</b>                                 |       | (16,921,929) | (14,227,081) |
| <b>Total assets less current liabilities</b>                   |       | (1,168,867)  | 1,525,981    |
| <b>Creditors' amounts falling due after more than one year</b> | 9     |              | (2,300,000)  |
| <b>Net liabilities</b>   |       | (1,168,867)  | (774,019)    |
| <b>Capital and reserves</b>                                    |       |              |              |
| Called up share capital  | 10    | 800          | 800          |
| Share premium  | 11    | 799,200      | 799,200      |
| Profit and loss account  | 12    | (1,968,867)  | (1,574,019)  |
| <b>Shareholders' funds</b>                                     | 13    | (1,168,867)  | (774,019)    |

*Malcolm A Todd*

M A Todd  
Director

Approved by the board on 18 December 2007



**Ledge 806 Limited**  
**Cash Flow Statement**  
**for the year ended 30 April 2007**

|  | <b>Notes</b> | <b>2007</b><br><b>£</b> | <b>2006</b><br><b>£</b> |
|--|--------------|-------------------------|-------------------------|
| <b>Reconciliation of operating profit to net cash inflow from operating activities</b> |              |                         |                         |
| Operating loss   |              | (781)                   | (1,286)                 |
| (Increase)/decrease in debtors   |              | (11,048)                | 1,269,178               |
| Increase in creditors  |              | 4,702,344               | 1,695,032               |
| <b>Net cash inflow from operating activities</b>                                       |              | <u>4,690,515</u>        | <u>2,962,924</u>        |

**CASH FLOW STATEMENT**

|  |    |                  |                  |
|--|----|------------------|------------------|
| <b>Net cash inflow from operating activities</b>       |    | 4,690,515        | 2,962,924        |
| <b>Returns on investments and servicing of finance</b> | 14 | (675,604)        | (911,391)        |
| <b>Taxation</b>  |    | 281,537          | 97,583           |
|  |    | <u>4,296,448</u> | <u>2,149,116</u> |

|                         |    |                |                |
|-------------------------|----|----------------|----------------|
| <b>Financing</b>        | 14 | (3,900,000)    | (1,600,000)    |
| <b>Increase in cash</b> |    | <u>396,448</u> | <u>549,116</u> |

**Reconciliation of net cash flow to movement in net debt**

|   |    |                     |                     |
|---|----|---------------------|---------------------|
| <b>Increase in cash in the period</b>       |    | 396,448             | 549,116             |
| <b>Decrease in debt and lease financing</b> |    | 3,900,000           | 1,600,000           |
| <b>Change in net debt</b>                   | 15 | <u>4,296,448</u>    | <u>2,149,116</u>    |
| <b>Net debt at 1 May</b>                    |    | <u>(14,448,230)</u> | <u>(16,597,346)</u> |
| <b>Net debt at 30 April</b>                 |    | <u>(10,151,782)</u> | <u>(14,448,230)</u> |

**Ledge 806 Limited**  
**Notes to the Accounts**  
**for the year ended 30 April 2007**

**1 Accounting policies**

***Accounting convention***

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards

After making due enquiries, the directors have a reasonable expectation that the group as a whole has adequate resources to continue in operation for the foreseeable future. For this reason they continue to adopt the going concern basis for preparing these financial statements

***Investments***

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

***Deferred taxation***

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes

Deferred taxation is calculated on an un discounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse

***Group accounts***

The company and its subsidiaries comprise a medium sized group. The company has therefore taken advantage of the exemption provided in section 248 of the Companies Act 1985 not to prepare group financial statements and accordingly these financial statements present information about the company as a single undertaking

**2 Turnover**

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers

Turnover is attributable to one continuing activity, the recycling of fridges and freezers through its subsidiary, Shore Recycling Limited

|   |             |             |
|---|-------------|-------------|
| <b>3 Operating profit</b>                 | <b>2007</b> | <b>2006</b> |
|   | <b>£</b>    | <b>£</b>    |
| This is stated after charging             |             |             |
| Auditors' remuneration for audit services | 520         | 1,040       |
|   | <hr/>       | <hr/>       |
| <b>4 Interest payable</b>                 | <b>2007</b> | <b>2006</b> |
|   | <b>£</b>    | <b>£</b>    |
| Bank loans and overdrafts                 | 85,229      | 320,391     |
| Other loans                               | 591,000     | 591,000     |
|   | <hr/>       | <hr/>       |
|   | 676,229     | 911,391     |

**Ledge 806 Limited**  
**Notes to the Accounts**  
**for the year ended 30 April 2007**

| <b>5 Taxation</b>                           | <b>2007</b>      | <b>2006</b>     |
|---|------------------|-----------------|
|   | <b>£</b>         | <b>£</b>        |
| <b>Analysis of charge in period</b>         |                  |                 |
| Current tax                                 |                  |                 |
| UK corporation tax on profits of the period | (281,537)        | (97,583)        |
|   | <u>(281,537)</u> | <u>(97,583)</u> |
| Tax on loss on ordinary activities          |                  |                 |

**Factors affecting tax charge for period**

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows

|  | <b>2007</b>      | <b>2006</b>      |
|--|------------------|------------------|
|  | <b>£</b>         | <b>£</b>         |
| Loss on ordinary activities before tax   | <u>(676,385)</u> | <u>(912,677)</u> |
| Standard rate of corporation tax in the UK                                       | 30%              | 30%              |
|  | <b>£</b>         | <b>£</b>         |
| Profit on ordinary activities multiplied by the standard rate of corporation tax | (202,916)        | (273,803)        |
| Effects of   |                  |                  |
| Expenses not deductible for tax purposes until paid                              | (78,621)         | 176,220          |
| Current tax charge for period  | <u>(281,537)</u> | <u>(97,583)</u>  |

**Factors that may affect future tax charges**

There are no particular factors expected to affect future tax charges

**Ledge 806 Limited**  
**Notes to the Accounts**  
**for the year ended 30 April 2007**

**6 Investments**

|                  | <b>Investments in<br/>subsidiary<br/>undertakings<br/>£</b> |
|------------------|---|
| <b>Cost</b>      |   |
| At 1 May 2006    | 15,753,062  |
| At 30 April 2007 | <u>15,753,062</u>   |

The company holds 20% or more of the share capital of the following companies

| <b>Company</b>          | <b>Country of registration<br/>or incorporation</b> | <b>Shares held<br/>Class</b> | <b>%</b> |
|-------------------------|---|------------------------------|----------|
| Shore Recycling Limited | Scotland  | Ordinary                     | 100      |

At 30 April 2007 Shore Recycling Limited had net assets of £4,082,029 (2006 £1,312,726) The profit for the year was £2,769,303 (2006 £111,859) The main activity of the company is the recycling of fridges, freezers and waste electrical and electronic equipment

**7 Debtors**

|   | <b>2007<br/>£</b> | <b>2006<br/>£</b> |
|---|-------------------|-------------------|
| Amounts owed by group undertakings and undertakings in which the company has a participating interest | <u>36,102</u>     | <u>25,054</u>     |

**8 Creditors: amounts falling due within one year**

|   | <b>2007<br/>£</b> | <b>2006<br/>£</b> |
|---|-------------------|-------------------|
| Bank loans and overdrafts   | 301,782           | 2,298,230         |
| Amounts owed to group undertakings and undertakings in which the company has a participating interest | 6,096,460         | 1,133,759         |
| Director's Loans  | 9,850,000         | 9,850,000         |
| Accruals and deferred income  | 709,789           | 970,146           |
|   | <u>16,958,031</u> | <u>14,252,135</u> |

**9 Creditors: amounts falling due after one year**

|            | <b>2007<br/>£</b> | <b>2006<br/>£</b> |
|------------|-------------------|-------------------|
| Bank loans | <u></u>           | <u>2,300,000</u>  |

**Ledge 806 Limited**  
**Notes to the Accounts**  
**for the year ended 30 April 2007**

|   |                          |                          |                    |                    |
|---|--------------------------|--------------------------|--------------------|--------------------|
| <b>10 Share capital</b>                                     |                          |                          | <b>2007</b><br>£   | <b>2006</b><br>£   |
| Authorised  |                          |                          |                    |                    |
| Ordinary shares of £1 each                                  |                          |                          | <u>1,000</u>       | <u>1,000</u>       |
|   | <b>2007</b><br><b>No</b> | <b>2006</b><br><b>No</b> | <b>2007</b><br>£   | <b>2006</b><br>£   |
| Allotted, called up and fully paid                          |                          |                          |                    |                    |
| Ordinary shares of £1 each                                  | 800                      | 800                      | <u>800</u>         | <u>800</u>         |
|   |                          |                          |                    |                    |
| <b>11 Share premium</b>                                     |                          |                          | <b>2007</b><br>£   | <b>2006</b><br>£   |
| At 1 May  |                          |                          | 799,200            | 799,200            |
| At 30 April   |                          |                          | <u>799,200</u>     | <u>799,200</u>     |
|   |                          |                          |                    |                    |
| <b>12 Profit and loss account</b>                           |                          |                          | <b>2007</b><br>£   | <b>2006</b><br>£   |
| At 1 May  |                          |                          | (1,574,019)        | (758,925)          |
| Loss for the financial year                                 |                          |                          | (394,848)          | (815,094)          |
| At 30 April   |                          |                          | <u>(1,968,867)</u> | <u>(1,574,019)</u> |
|   |                          |                          |                    |                    |
| <b>13 Reconciliation of movement in shareholders' funds</b> |                          |                          | <b>2007</b><br>£   | <b>2006</b><br>£   |
| At 1 May  |                          |                          | (774,019)          | 41,075             |
| Loss for the financial year                                 |                          |                          | (394,848)          | (815,094)          |
| At 30 April   |                          |                          | <u>(1,168,867)</u> | <u>(774,019)</u>   |

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**Ledge 806 Limited**  
**Notes to the Accounts**  
**for the year ended 30 April 2007**

| <b>14 Gross cash flows</b>                             | <b>2007<br/>£</b>  | <b>2006<br/>£</b>  |
|--|--------------------|--------------------|
| <b>Returns on investments and servicing of finance</b> |                    |                    |
| Interest received                                      | 625                |                    |
| Interest paid  | (676,229)          | (911,391)          |
|  | <u>(675,604)</u>   | <u>(911,391)</u>   |
| <b>Financing</b>                                       |                    |                    |
| Loan repayments  | <u>(3,900,000)</u> | <u>(1,600,000)</u> |

**15 Analysis of changes in net debt**

|                        | <b>At 1 May<br/>2006<br/>£</b> | <b>Cash flows<br/>£</b> | <b>Non-cash<br/>changes<br/>£</b> | <b>At 30 Apr<br/>2007<br/>£</b> |
|------------------------|--------------------------------|-------------------------|-----------------------------------|---------------------------------|
| Overdrafts             | (698,230)                      | 396,448                 |                                   | (301,782)                       |
| Debt due within 1 year | (11,450,000)                   | 1,600,000               |                                   | (9,850,000)                     |
| Debt due after 1 year  | (2,300,000)                    | 2,300,000               |                                   |                                 |
|                        |                                | 3,900,000               |                                   |                                 |
| <b>Total</b>           | <u>(14,448,230)</u>            | <u>4,296,448</u>        |                                   | <u>(10,151,782)</u>             |

**16 Transactions with directors**

Director's Loans of £9,850,000 (2006 £9,850,000) advanced by Mr S M Howie remain outstanding at the year end

During the year, the company accrued interest payable of £591,000 (2006 £591,000) on these loans and paid £850,000 of accrued interest to Mr S M Howie. Accruals and deferred income in Note 8 to the accounts includes £709,268 (2006 £968,268) of accrued loan interest

**17 Controlling party**

The company was under the control of the directors throughout the year. The directors own 100% of the issued share capital. There were no transactions during the year between the company and the directors or with entities controlled by them, other than as disclosed in Note 16 to the accounts.