

**REGISTERED NUMBER: 02701453 (England and Wales)**

**Report of the Directors and  
Financial Statements  
for the Year Ended 31 December 2007  
for  
Scott Packaging Limited**

THURSDAY



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# **Scott Packaging Limited**

## **Contents of the Financial Statements for the Year Ended 31 December 2007**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Directors</b>	<b>2</b>
<b>Report of the Independent Auditors</b>	<b>4</b>
<b>Profit and Loss Account</b>	<b>6</b>
<b>Balance Sheet</b>	<b>7</b>
<b>Notes to the Financial Statements</b>	<b>8</b>

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**Scott Packaging Limited**

**Company Information  
for the Year Ended 31 December 2007**

**DIRECTORS:**

J C Scott  
N R Scott  
C R Hatton  
T A C T Impey

**SECRETARY:**

T A C T Impey

**REGISTERED OFFICE:**

Port Office  
Atlantic Way  
Barry  
Vale of Glamorgan  
CF63 3US

**REGISTERED NUMBER:**

02701453 (England and Wales)

**AUDITORS:**

Campbell Dallas LLP  
Chartered Accountants &  
Registered Auditors  
Campbell House  
126 Drymen Road  
Bearsden  
Glasgow  
G61 3RB

## **Scott Packaging Limited**

### **Report of the Directors for the Year Ended 31 December 2007**

The directors present their report with the financial statements of the company for the year ended 31 December 2007

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of manufacturers of corrugated products and suppliers of industrial packaging

#### **REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements

#### **DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2007

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2007 to the date of this report

J C Scott  
N R Scott  
C R Hatton  
T A C T Impey

#### **STATEMENT OF 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 these 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

**Scott Packaging Limited**

**Report of the Directors  
for the Year Ended 31 December 2007**

**AUDITORS**

On 1st November 2007, the auditors Campbell Dallas transferred its business to a limited liability partnership, Campbell Dallas LLP. Under section 26(5) of the Companies Act 1989, the company consented to extend the audit appointment to Campbell Dallas LLP from 1st November 2007. Accordingly the audit report has been signed in the name of Campbell Dallas LLP and a resolution for the reappointment of Campbell Dallas LLP will be proposed at the forthcoming annual general meeting.

**ON BEHALF OF THE BOARD:**



J.C. Scott - Director

Date 23/10/08

## **Report of the Independent Auditors to the Shareholders of Scott Packaging Limited**

We have audited the financial statements of Scott Packaging Limited for the year ended 31 December 2007 on pages six to thirteen. These financial statements 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

Our responsibility is to audit the financial statements 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 financial statements 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 Report of the Directors is consistent with the financial statements.

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 is not disclosed.

We read the Report of the Directors 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

**Report of the Independent Auditors to the Shareholders of  
Scott Packaging Limited**

**Opinion**

In our opinion

- the financial statements 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 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements



Campbell Dallas LLP  
Chartered Accountants &  
Registered Auditors  
Campbell House  
126 Drymen Road  
Bearsden  
Glasgow  
G61 3RB

Date 27/10/08

**Scott Packaging Limited**

**Profit and Loss Account  
for the Year Ended 31 December 2007**

	Notes	2007 £	2006 £
<b>TURNOVER</b>		2,077,593	1,622,927
Cost of sales		1,626,475	1,273,638
<b>GROSS PROFIT</b>		451,118	349,289
Administrative expenses		397,497	253,514
		53,621	95,775
Other operating income		5,918	-
<b>OPERATING PROFIT</b>	3	59,539	95,775
Interest receivable and similar income		1,734	1,894
		61,273	97,669
Interest payable and similar charges	4	2,313	57
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		58,960	97,612
Tax on profit on ordinary activities	5	19,175	22,475
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		39,785	75,137

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these financial statements



**Scott Packaging Limited**

**Balance Sheet**  
**31 December 2007**

	Notes	2007 £	2006 £
<b>FIXED ASSETS</b>			
Tangible assets	6	222,460	24,622
<b>CURRENT ASSETS</b>			
Stocks	7	188,487	162,439
Debtors	8	323,203	389,477
Cash at bank		-	107,090
		<u>511,690</u>	<u>659,006</u>
<b>CREDITORS</b>			
Amounts falling due within one year	9	<u>493,034</u>	<u>482,297</u>
<b>NET CURRENT ASSETS</b>		<u>18,656</u>	<u>176,709</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>241,116</u></u>	<u><u>201,331</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	1,002	1,002
Profit and loss account	12	<u>240,114</u>	<u>200,329</u>
<b>SHAREHOLDERS' FUNDS</b>	15	<u><u>241,116</u></u>	<u><u>201,331</u></u>

The financial statements were approved by the Board of Directors on  
signed on its behalf by

23/10/03

and were

  
J.C. Scott - Director

The notes form part of these financial statements

## **Scott Packaging Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2007**

#### **1 ACCOUNTING POLICIES**

##### **Accounting convention**

The financial statements have been prepared under the historical cost convention

##### **Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Improvements to property	- 8% on cost
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 15% on reducing balance

##### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

##### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Deferred tax is provided at the average rates that are expected to apply when the timing differences reverse, based on current tax rates and laws. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets and liabilities are not discounted.

##### **Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of all future payments are treated as a liability.

Rentals paid under operation leases are charged to the profit and loss account as incurred.

##### **Cashflow Exemption**

The company has not prepared a cashflow statement as it has availed itself of the exemptions within Financial Reporting Standard 1 as a subsidiary of a UK parent that publishes a consolidated cashflow statement.



**Scott Packaging Limited****Notes to the Financial Statements - continued  
for the Year Ended 31 December 2007****2 STAFF COSTS**

	2007 £	2006 £
Wages and salaries	259,479	169,507
Social security costs	24,382	16,264
	<u>283,861</u>	<u>185,771</u>

The average monthly number of employees during the year was as follows

	2007	2006
Management and administration	<u>14</u>	<u>7</u>

**3 OPERATING PROFIT**

The operating profit is stated after charging/(crediting)

	2007 £	2006 £
Hire of plant and machinery	21,507	17,045
Depreciation - owned assets	19,911	14,180
Loss/(Profit) on disposal of fixed assets	547	(212)
Foreign exchange differences	<u>(5,918)</u>	<u>-</u>
Directors' emoluments	<u>95,000</u>	<u>80,000</u>

**4 INTEREST PAYABLE AND SIMILAR CHARGES**

	2007 £	2006 £
Bank interest	<u>2,313</u>	<u>57</u>

**5 TAXATION****Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows

	2007 £	2006 £
Current tax		
UK corporation tax	17,290	29,482
Prior year overprovision	<u>1,885</u>	<u>(7,007)</u>
Tax on profit on ordinary activities	<u>19,175</u>	<u>22,475</u>



# **Scott Packaging Limited**

## **Notes to the Financial Statements - continued for the Year Ended 31 December 2007**

### **5 TAXATION - continued**

#### **Factors affecting the tax charge**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2007 £	2006 £
Profit on ordinary activities before tax	<u>58,960</u>	<u>97,612</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 - 30%)	17,688	29,284
Effects of		
Temporary timing differences	324	2,285
Disallowed items	283	161
Marginal relief	(1,169)	(2,248)
(Profit)/loss on disposal	164	-
Under/(over) provision in prior year	<u>1,885</u>	<u>(7,007)</u>
Current tax charge	<u>19,175</u>	<u>22,475</u>

### **6 TANGIBLE FIXED ASSETS**

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 January 2007	-	30,695	7,650	10,893	49,238
Additions	159,152	18,798	-	44,846	222,796
Disposals	-	-	-	(5,690)	(5,690)
At 31 December 2007	<u>159,152</u>	<u>49,493</u>	<u>7,650</u>	<u>50,049</u>	<u>266,344</u>
<b>DEPRECIATION</b>					
At 1 January 2007	-	12,434	3,284	8,898	24,616
Charge for year	4,922	3,963	655	10,371	19,911
Eliminated on disposal	-	-	-	(643)	(643)
At 31 December 2007	<u>4,922</u>	<u>16,397</u>	<u>3,939</u>	<u>18,626</u>	<u>43,884</u>
<b>NET BOOK VALUE</b>					
At 31 December 2007	<u>154,230</u>	<u>33,096</u>	<u>3,711</u>	<u>31,423</u>	<u>222,460</u>
At 31 December 2006	<u>-</u>	<u>18,261</u>	<u>4,366</u>	<u>1,995</u>	<u>24,622</u>

**Scott Packaging Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2007**

**7 STOCKS**

	2007	2006
	£	£
Raw materials	150,684	155,608
Finished goods	37,803	6,831
	<u>188,487</u>	<u>162,439</u>

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

	2007	2006
	£	£
Trade debtors	<u>323,203</u>	<u>389,477</u>

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

	2007	2006
	£	£
Bank loans and overdrafts (see note 10)	127,939	-
Trade creditors	250,396	256,313
Tax	17,290	29,482
Social security and other taxes	-	4,702
VAT	17,489	12,876
Other creditors	32,768	-
Due to fellow subsidiaries	45,115	176,514
Accrued expenses	2,037	2,410
	<u>493,034</u>	<u>482,297</u>

**10 LOANS**

An analysis of the maturity of loans is given below

	2007	2006
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	<u>127,939</u>	<u>-</u>

## Scott Packaging Limited

### Notes to the Financial Statements - continued for the Year Ended 31 December 2007

#### 11 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	2007 £	2006 £
2,000	Ordinary	£1	<u>2,000</u>	<u>2,000</u>

Allotted, issued and fully paid Number	Class	Nominal value	2007 £	2006 £
1,002	Ordinary	£1	<u>1,002</u>	<u>1,002</u>

#### 12 RESERVES

	Profit and loss account £
At 1 January 2007	200,329
Profit for the year	<u>39,785</u>
At 31 December 2007	<u>240,114</u>

#### 13 ULTIMATE PARENT COMPANY

The company is controlled by Scott Group Ltd through it's 51 % shareholding, with the remaining shares held between T Thomas-Impey and C R Hatton

A copy of the full financial statements of Scott Group Limited may be obtained from Forties Campus, Rosyth Euro Parc, Rosyth, Fife, KY11 2XS





## Scott Packaging Limited

### Notes to the Financial Statements - continued for the Year Ended 31 December 2007

#### 14 RELATED PARTY DISCLOSURES

The company is under the control of Scott Group Limited

During the period the company entered into the following transactions with fellow subsidiaries

	Sales £	Purchases £
Scott Timber Limited	101,010	203,140
George Hill Limited	530	-
Crofton Pallets Limited	967	82,284

In addition management charges of £16,962 were paid to Scott Timber Limited

At 31 December 2007 the company owed £52,151 to Scott Timber Limited and £26,180 to Crofton Pallets Limited

During the year directors TThomas-Impey and C Hatton made purchases from the company of £27,920 and £30,242 respectively

#### 15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Profit for the financial year	39,785	75,137
<b>Net addition to shareholders' funds</b>	<b>39,785</b>	<b>75,137</b>
Opening shareholders' funds	201,331	126,194
<b>Closing shareholders' funds</b>	<b>241,116</b>	<b>201,331</b>

