

**SPILLER & WEBBER LIMITED**  
**COMPANY NUMBER : 123999**

**FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED 31 DECEMBER 2005**

Directors: C Winter (Chairman)  
M J Perry  
I M Harvey  
P Norman  
A F Hanson

Secretary: A F Hanson

Registered Office: Tauntonfield  
South Road  
Taunton  
Somerset  
TA1 3ND



## **SPILLER & WEBBER LIMITED**

### **DIRECTORS' REPORT**

The Directors submit herewith their report and financial statements for the year ended 31 December 2005.

#### **Principal Activities**

The Company's principal activities during the year were those of builders' merchants and ironmongers.

#### **Fair review of the business**

The company achieved a satisfactory profit despite difficult market conditions.

#### **Results and Dividends**

The company's profit for the year after tax was £9096 (2004 : £70275).

The directors recommend the payment of a dividend of £4500 (5.3p per share) in respect of the result for 2005.

#### **Directors and their interests**

The Directors who served during the year were:

C Winter  
M J Perry  
I M Harvey  
P Norman  
A F Hanson

No director was beneficially interested at any time in the shares of the company nor, with the exception of the company's holding company, in the shares of any other company in the group. Interests of directors in the holding company are disclosed in the financial statements of that company.

#### **Directors' Responsibilities**

Company law requires the directors to prepare financial statements for each financial year which 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
- in determining how amounts are presented within items in the profit and loss account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

**SPILLER & WEBBER LIMITED**

**DIRECTORS' REPORT** - Continued

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.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution to re-appoint Messrs Amherst and Shapland as Auditors will be put to the members at the Annual General Meeting.

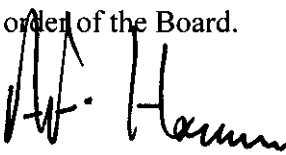
So far as each of the directors at the time the Directors' Report is approved are aware:

- a) there is no relevant audit information of which the company's auditors are unaware, and
- b) 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

Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

By order of the Board.

  
A F Hanson  
Secretary

24 April 2006

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

### SPILLER & WEBBER LIMITED

We have audited the financial statements of Spiller & Webber Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes set out on pages 1 to 7. These financial statements have been prepared under the historical cost convention and 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 auditor's 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 are set out in the statement of Directors' Responsibilities in the Directors' Report.

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 if, in our opinion, the Directors' Report is not consistent with the Financial Statements, if 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 transactions with the Company is not disclosed.

We read other information presented with the Financial Statements and consider whether it is consistent with the audited Financial Statements. The other information comprises the Directors' Report and the trading account. We consider the implications for our Report if we become aware of any apparent misstatements or material inconsistencies with the Financial Statements. Our responsibilities do not extend to any other information.

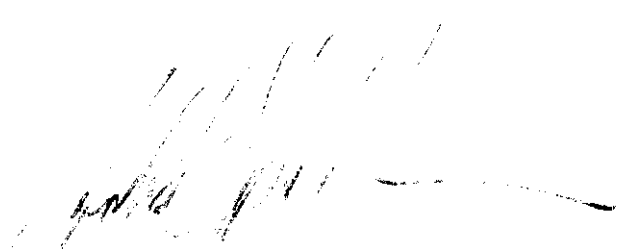
#### Basis of opinion

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.

#### Opinion

In our opinion the Financial Statements give a true and fair view of the state of the Company's affairs as at 31 December 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Amherst & Shapland  
Chartered Accountants  
Registered Auditors  
Castle Lodge  
Castle Green  
Taunton  
Somerset  
TA1 4AD

**SPILLER & WEBBER LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2005**

	<u>Notes</u>	<u>2005</u>	<u>2004</u>
		£	£
TURNOVER	1	3052407	3173763
Cost of Sales		2319684	2386591
		-----	-----
GROSS PROFIT		732723	787172
Other operating expenses:			
Selling and distribution costs		335948	313976
Administrative expenses		382043	373160
		-----	-----
		717991	687136
		-----	-----
OPERATING PROFIT	2	14732	100036
Interest receivable		-	-
Interest payable	4	(76)	(7)
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		14656	100029
Taxation on profit on ordinary activities	5	5560	29754
		-----	-----
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		£9096	£70275
		=====	=====

All the activities of the company are classed as continuing.

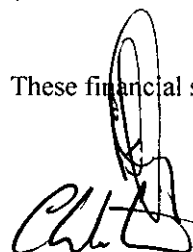
The notes on pages 4 to 7 form part of these financial statements.

**SPILLER & WEBBER LIMITED****BALANCE SHEET AS AT 31 DECEMBER 2005**

	<u>Notes</u>	£	<u>2005</u> £	£	<u>2004</u> £
<b>FIXED ASSETS</b>					
Tangible Assets	8		74897		87113
Investments	9		100		100
			-----		-----
			74997		87213
<b>CURRENT ASSETS</b>					
Stocks	10	462149		541000	
Debtors	11	609748		583551	
Cash at bank and in hand		84037		269898	
		-----		-----	
		1155934		1394449	
<b>CREDITORS - Amounts falling due within one year</b>					
	12	(493665)		(694492)	
		-----		-----	
<b>NET CURRENT ASSETS</b>			662269		699957
			-----		-----
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			£737266		£787170
			-----		-----
<b>CAPITAL AND RESERVES</b>					
Called up share capital					
Equity share capital	13		85000		85000
Share premium account			423		423
Profit and loss account			651843		701747
			-----		-----
<b>SHAREHOLDERS' FUNDS</b>			£737266		£787170
			=====		=====

The financial statements have been prepared in accordance with: (i) the special provisions of Part VII of the Companies Act 1985 relating to small companies and (ii) the Financial Reporting Standard for Smaller Entities (effective January 2005).

These financial statements were approved by the Board of Directors on 24 April 2006.



M J Perry       )  
                          ) Directors  
C Winter        )

The notes on pages 4 to 7 form part of these financial statements.

**SPILLER & WEBBER LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005****1. ACCOUNTING POLICIES****Basis of preparation**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

**Changes in accounting policies**

In preparing the financial statements for the current year, the company has adopted the Financial Reporting Standard for Smaller Entities (effective January 2005) – FRSSE 2005. This replaces FRSSE 2002 with effect from 1 January 2005.

The adoption of FRSSE 2005 has resulted in changes in the accounting policies relating to distributions made to equity shareholders. Dividends paid and proposed before the balance sheet date are now charged directly to equity net of any related tax benefit and are no longer shown on the face of the Profit and Loss Account. Dividends declared after the balance sheet date are no longer recognised as a liability at the balance sheet date and are disclosed in the notes to the financial statements.

**Depreciation**

Depreciation is provided on all tangible fixed assets to write off the cost or valuation less estimated residual value of each asset over its expected useful economic life, and is calculated at the following annual rates:-

Short leasehold property	Straight line over remaining lease term
Motor vehicles	30% on reducing balance
Plant, machinery and office equipment	20% on reducing balance
Computer equipment	20% on cost

**Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost is determined on a first in first out basis and is calculated by adjusting current replacement cost to take account of price inflation.

**Turnover**

Turnover represents the amounts invoiced, excluding valued added tax, for sales of goods during the year, adjusted for trade discounts.

**Financial Instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**2. OPERATING PROFIT**

	<u>2005</u>	<u>2004</u>
	£	£
The operating profit is stated after charging:		
Depreciation	28337	30968
Loss/(Profit) on disposal of fixed assets	-	140
Auditors' remuneration	3000	4400
	====	====

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 20053. DIRECTORS EMOLUMENTS

	<u>2005</u>	<u>2004</u>
	£	£
The emoluments paid to the directors comprise:		
Emoluments for directors' services	138727	161701
Money purchase pension scheme contributions	10721	7028
	-----	-----
	£149448	£168729
	=====	=====
The number of directors for whom money purchase pension scheme contributions were paid was:	3	3
	==	==

4. INTEREST PAYABLE

	<u>2005</u>	<u>2004</u>
	£	£
On bank overdraft repayable within 5 years	38	-
Other interest payable	38	7
	-----	-----
	£76	£7
	=====	=====

5. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	<u>2005</u>	<u>2004</u>
	£	£
(a) Analysis of charge in period		
<i>Current tax:</i>		
UK corporation tax on profits of the period	3140	28894
Adjustment in respect of previous periods	2420	860
	-----	-----
<i>Total current tax (note 5 (b))</i>	£5560	£29754
	=====	=====

## (b) Factors affecting the taxation charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	<u>2005</u>	<u>2004</u>
	£	£
Profit on ordinary activities before tax	£14656	£100029
	=====	=====
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2004 : 30%)	4397	30009
<i>Effects of:</i>		
Expenses not deductible (reinstated) for tax purposes	456	775
Capital allowances for period lower than depreciation	105	(118)
Small companies marginal relief	(1818)	(1772)
Adjustments to tax charge in respect of previous periods	2420	860
	-----	-----
<i>Current tax charge for period (note 5 (a))</i>	£5560	£29754
	=====	=====



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 20056. DIVIDENDS

	<u>2005</u>	<u>2004</u>
	£	£
Dividends paid on equity shares		
Paid during the year:		
Final dividend for previous year	£59000	£23800
	=====	=====

7. PROPOSED DIVIDENDS

	<u>2005</u>	<u>2004</u>
	£	£
Proposed dividends on equity shares		
Final dividend proposed	£4500	£59000
	=====	=====

8. TANGIBLE ASSETS

	<u>Short</u> <u>Leasehold</u> <u>Property</u>	<u>Motor</u> <u>Vehicles</u>	<u>Plant and</u> <u>Machinery</u>	<u>Total</u>
	£	£	£	£
<u>COST/VALUATION</u>				
At 1 January 2005	32200	78075	120767	231042
Additions	-	-	16121	16121
Disposals	-	-	-	-
	-----	-----	-----	-----
At 31 December 2005	£32200	£78075	£136888	£247163
	=====	=====	=====	=====
<u>ACCUMULATED DEPRECIATION</u>				
At 1 January 2005	23000	47536	73393	143929
Charge for the year	4600	9162	14575	28337
Disposals	-	-	-	-
	-----	-----	-----	-----
At 31 December 2005	£27600	£56698	£87968	£172266
	=====	=====	=====	=====
<u>NET BOOK VALUE</u>				
At 31 December 2005	£4600	£21377	£48920	£74897
	=====	=====	=====	=====
At 31 December 2004	£9200	£30539	£47374	£87113
	=====	=====	=====	=====

9. INVESTMENTS

	<u>2005</u>	<u>2004</u>
	£	£
Unlisted investments at cost:		
United Merchants Limited		
10 ordinary shares of 5p each	100	100
	=====	=====

The Directors estimate that the realisable value of the above investments is not less than their cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 200510. STOCKS

	<u>2005</u> £	<u>2004</u> £
Stocks for resale	£462149	£541000

11. DEBTORS

	<u>2005</u> £	<u>2004</u> £
Trade debtors	532860	489542
Prepayments	37673	26189
Advance corporation tax	32295	32295
Owed by group undertakings	689	20023
Owed by associated undertakings	6231	15502
	£609748	£583551

Debtors include Advance Corporation Tax recoverable after one year £32295 (2004:£32295)

12. CREDITORS: Amounts falling due within one year

	<u>2005</u> £	<u>2004</u> £
Trade creditors	410882	518439
Corporation tax payable	5594	28894
Social security and other taxes	18662	42422
Accruals	46560	104737
Owed to group undertakings	3469	-
Owed to associated undertakings	8498	-
	£493665	£694492

13. SHARE CAPITAL

	<u>Authorised</u>  <u>2005 &amp; 2004</u> £	<u>Allotted called up issued and fully paid</u> <u>2005 &amp; 2004</u> £
Ordinary shares of £1 each	£100000	£85000

14. PROFIT AND LOSS ACCOUNT

	<u>2005</u> £	<u>2004</u> £
Balance brought forward	701747	655272
Profit for the financial year	9096	70275
Equity dividends paid (note 6)	(59000)	(23800)
	£651843	£701747

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 200515. PRIOR YEAR ADJUSTMENT

As a result of changes in accounting policy following the adoption of FRSS 2005 the treatment of dividends proposed after the balance sheet date has changed. Such dividends may no longer be treated as liabilities as at the balance sheet date, and are shown in the financial statements in the year in which they are actually paid or become an obligation to pay. As a result of this the comparative figures for 2004 have been restated as follows:-

	<u>Original Figures</u>	<u>As Restated</u>
	£	£
Debtors	563887	583551
Total current assets	1374785	1394449
Creditors – amounts falling due within one year	733828	694492
Total assets less current liabilities/shareholders' funds	728170	787170
Profit and loss account	642747	701747

16. PENSION SCHEME

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents the contribution payable by the Company to the fund and amounted to £15235 (2004: £16405).

17. ULTIMATE PARENT UNDERTAKING

Tauntfield Limited is the ultimate parent undertaking.

18. SECURITIES

The bank borrowings are secured by a fixed charge on the plant and machinery and debtors, and a floating charge on other assets of the company.

19. FINANCIAL COMMITMENTS

At 31 December 2005 and 2004 there were no contracts for capital expenditure not provided in the accounts.

20. RELATED PARTY TRANSACTIONS

The company is controlled by Tauntfield Limited, its parent company.

The company is taking advantage of the disclosure exemption conferred by Financial Reporting Standard 8, "Related Party Transactions", on the grounds that its voting shares are more than 90% controlled within the Tauntfield Group. Consequently details of the company are included in the publicly available consolidated accounts of Tauntfield Limited.

During the year, no contracts or transactions were entered into by the company in which the directors had a material interest.

During the year goods were sold to an associated company, Summerfield Developments (SW) Ltd, amounting to £124397 under normal trade terms and there were amounts due at 31 December of £6231.

TRADING ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2005

This schedule does not form part of the statutory accounts.

	<u>2005</u> £	<u>2004</u> £
Sales	3052407	3173763
Less cost of sales - Opening stock	541000	425303
Purchasing and carriage	2240833	2502288
	-----	-----
	2781833	2927591
Closing stock	462149	541000
	-----	-----
	2319684	2386591
	=====	=====
 GROSS PROFIT	 732723	 787172
	=====	=====
% Gross profit to sales	24.0%	24.8%
	=====	=====
Selling and distribution costs:		
Salaries and wages	283843	273184
Pensions and staff scheme contributions	5598	5697
Advertising	16120	6912
Showroom display costs	5339	3740
Motor and travelling expenses	21288	19244
Discounts allowed	1515	2850
Bad and doubtful debts	2245	2349
	-----	-----
	335948	313976
	=====	=====
Administrative expenses:		
Salaries and wages	67101	39897
Pensions and staff scheme contributions	5947	3679
Rent and rates	50710	35654
Insurance	25282	22701
Postage and telephone	14743	15736
Printing and stationery	5418	4498
Light and heat	497	9004
Motor and travelling expenses	6177	8748
Repairs and renewals	1856	7062
Professional charges	4834	5577
Subscriptions and donations	2496	3375
Depreciation less profit plus loss on sale of fixed assets	28337	31109
Sundry expenses	8221	6124
Bank charges	10213	9887
Group management charges	16746	17695
Computer expenses	8715	7249
Health & Safety	4744	5771
	-----	-----
	262037	233766
Discounts received	18820	20087
	-----	-----
	243217	213679
	=====	=====

**SPILLER & WEBBER LIMITED****TRADING ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2005**

This schedule does not form part of the statutory accounts.

	<u>2005</u>	<u>2004</u>
	£	£
Directors' remuneration		
Management salaries (excludes benefits)	128105	152453
Pension scheme contributions	10721	7028
	<u>138826</u>	<u>159481</u>
Total administrative costs	<u>382043</u>	<u>373160</u>
TOTAL OVERHEADS	<u>£717991</u>	<u>£687136</u>
Interest:		
Bank and other interest payable	<u>76</u>	<u>7</u>
PROFIT BEFORE TAX	<u>£14656</u>	<u>£100029</u>