

Registration number 2667685

W.B. Simpson & Sons (Terrazzo) Limited

Directors' report and financial statements

for the year ended 31 December 2006

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W.B. Simpson & Sons (Terrazzo) Limited

Company information

Directors	P Valler Esq W Valler Esq S Medhurst Esq
Secretary	D Barnes Esq
Company number	2667685
Registered office	Unit 2 Guards Avenue The Village Caterham On The Hill Surrey CR3 5XL
Auditors	S Nunn & Co Ltd Unit 2, Guards Avenue The Village Caterham on the Hill Surrey CR3 5XL
Business address	St Martins House Railway Goods Yard Banstead Road, Banstead Surrey SM7 1PZ

W.B. Simpson & Sons (Terrazzo) Limited

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W.B. Simpson & Sons (Terrazzo) Limited

Directors' report for the year ended 31 December 2006

The directors present their report and the financial statements for the year ended 31 December 2006

Principal activity

The principal activity of the company is that of a terrazzo and marble manufacturer and contractor

Directors and their interests

The directors who served during the year and their interests in the company are as stated below

	Class of share	31/12/06	01/01/06
P Valler Esq	Ordinary Shares	-	-
W Valler Esq	Ordinary Shares	-	-
S Medhurst Esq	Ordinary Shares	-	-

Charitable and Political Contributions

During the year the company contributed £2,039 to charities

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements the directors are required to

- select suitable accounting policies and 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.

In so far as the directors are aware

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

W.B. Simpson & Sons (Terrazzo) Limited

**Directors' report
for the year ended 31 December 2006**

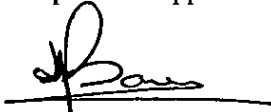
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Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that S Nunn & Co Ltd be reappointed as auditors of the company will be put to the Annual General Meeting

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

This report was approved by the Board on 9 July 2007 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'D. Barnes', is written over a horizontal line.

D. Barnes Esq.
Secretary

W.B. Simpson & Sons (Terrazzo) Limited

**Independent auditors' report to the shareholders of
W.B. Simpson & Sons (Terrazzo) Limited**

We have audited the financial statements of W B Simpson & Sons (Terrazzo) Limited for the year ended 31 December 2006 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective June 2002).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and the 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 in the statement of directors' responsibilities.

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 directors' report 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 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 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.

W.B. Simpson & Sons (Terrazzo) Limited

Independent auditors' report to the shareholders of W.B. Simpson & Sons (Terrazzo) Limited continued

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, in accordance with United Kingdom Generally Accepted Accounting Practice applicable for Smaller Entities, of the state of the company's affairs as at 31 December 2006 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 Directors' Report is consistent with the financial statements

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**S. Nunn & Co Ltd
Chartered Accountants and
Registered Auditor
9 July 2007**

**Unit 2, Guards Avenue
The Village
Caterham on the Hill
Surrey CR3 5XL**

W.B. Simpson & Sons (Terrazzo) Limited

**Profit and loss account
for the year ended 31 December 2006**

		2006	2005
	Notes	£	£
Turnover	2	5,385,407	1,246,526
Cost of sales		(4,737,020)	(996,660)
Gross profit		<u>648,387</u>	<u>249,866</u>
Administrative expenses		(605,695)	(222,049)
Operating profit	3	<u>42,692</u>	<u>27,817</u>
Other interest receivable and similar income		-	546
Interest payable and similar charges		-	(15)
Profit on ordinary activities before taxation		<u>42,692</u>	<u>28,348</u>
Tax on profit on ordinary activities	5	(14,637)	(5,523)
Profit on ordinary activities after taxation		<u>28,055</u>	<u>22,825</u>
Retained profit brought forward		<u>90,149</u>	<u>67,324</u>
Retained profit carried forward		<u><u>118,204</u></u>	<u><u>90,149</u></u>

The notes on pages 7 to 10 form an integral part of these financial statements.

W.B. Simpson & Sons (Terrazzo) Limited

**Balance sheet
as at 31 December 2006**

		2006		2005	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	6		1,694		2,259
Current assets					
Stocks	7	285,827		254,516	
Debtors	8	448,669		451,724	
Cash at bank and in hand		733,481		15,316	
		<u>1,467,977</u>		<u>721,556</u>	
Creditors: amounts falling due within one year	9	<u>(1,351,367)</u>		<u>(633,566)</u>	
Net current assets			<u>116,610</u>		<u>87,990</u>
Net assets			<u><u>118,304</u></u>		<u><u>90,249</u></u>
Capital and reserves					
Called up share capital	10		100		100
Profit and loss account			<u>118,204</u>		<u>90,149</u>
Shareholders' funds			<u><u>118,304</u></u>		<u><u>90,249</u></u>

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002)

The financial statements were approved by the Board on 9 July 2007 and signed on its behalf by

S. Medhurst Esq.

Director



W. Valler Esq.

Director



The notes on pages 7 to 10 form an integral part of these financial statements.

W.B. Simpson & Sons (Terrazzo) Limited

Notes to the financial statements for the year ended 31 December 2006

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002)

1.2. Turnover and profits

Turnover represents amounts invoiced for goods and services provided in the UK net of VAT and the value of long term work in progress uninvoiced at the balance sheet date

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

Plant and machinery	-	25% written down value
Motor vehicles	-	25% written down value

1.4. Long term contracts

Amounts recoverable on long term contracts, which are included in debtors are stated at the net sales value of the work done after provisions for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments received on account

1.5. Pensions

The pension charge to the profit and loss account represents the pension contributions paid in the accounting period

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK

3. Operating profit

	2006	2005
	£	£
Operating profit is stated after charging		
Depreciation and other amounts written off tangible assets	565	753

4. Directors' emoluments

	2006	2005
	£	£
Remuneration and other benefits	175	363

W.B. Simpson & Sons (Terrazzo) Limited

**Notes to the financial statements
for the year ended 31 December 2006**

continued

5. Tax on profit on ordinary activities

Analysis of charge in period	2006 £	2005 £
Current tax		
UK corporation tax	<u>14,637</u>	<u>5,523</u>

6. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Total £
Cost			
At 1 January 2006	<u>4,750</u>	<u>19,366</u>	<u>24,116</u>
At 31 December 2006	<u>4,750</u>	<u>19,366</u>	<u>24,116</u>
Depreciation			
At 1 January 2006	4,514	17,343	21,857
Charge for the year	<u>59</u>	<u>506</u>	<u>565</u>
At 31 December 2006	<u>4,573</u>	<u>17,849</u>	<u>22,422</u>
Net book values			
At 31 December 2006	<u>177</u>	<u>1,517</u>	<u>1,694</u>
At 31 December 2005	<u>236</u>	<u>2,023</u>	<u>2,259</u>

7. Stocks

	2006 £	2005 £
Stocks	4,586,655	2,000,907
Long term contract payments on account	<u>(4,300,828)</u>	<u>(1,746,391)</u>
	<u>285,827</u>	<u>254,516</u>

W.B. Simpson & Sons (Terrazzo) Limited

**Notes to the financial statements
for the year ended 31 December 2006**

continued

8. Debtors	2006 £	2005 £
Amounts recoverable on long term contracts	363,466	100,532
Amounts owed by group undertakings	77,822	344,313
Other debtors	2,719	1,500
Prepayments and accrued income	4,662	5,379
	<u>448,669</u>	<u>451,724</u>

9. Creditors: amounts falling due within one year	2006 £	2005 £
Bank overdraft	-	184,586
Trade creditors	566,881	107,355
Amounts owed to group undertaking	441,877	239,177
Amounts owed to participating interest	12,823	38,358
Corporation tax	14,699	5,523
Other taxes and social security costs	299,290	44,269
Other creditors	12,461	11,318
Accruals and deferred income	3,336	2,980
	<u>1,351,367</u>	<u>633,566</u>

The bank holds a debenture over the company's assets and a right of set-off with W B Simpson & Sons (Tiling) Ltd

10. Share capital	2006 £	2005 £
Authorised		
100,000 Ordinary Shares of 1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
100 Ordinary Shares of 1 each	<u>100</u>	<u>100</u>

W.B. Simpson & Sons (Terrazzo) Limited

**Notes to the financial statements
for the year ended 31 December 2006**

continued

11. Related party transactions

The company was involved in the following transactions with related parties during the year (a) Management charges payable to Trafalgar Properties Ltd £300,000 (2005 £104,000), (b) Purchases from Kengate Products Ltd £87,845 (2005 £108,615) and (c) Purchases from Traceway Ltd £74,877 (2005 £130,538) At the year end, there were the following balances with related parties (i) Owed to Trafalgar Properties Ltd £441,877 (2005 £239,177), (ii) Owed to Traceway Ltd £12,823 (2005 £7,173), (iii) Due from W B Simpson & Sons (Tiling) Ltd £46,039 (2005 £344,313) and (iv) Due from Kengate Products Ltd £31,783 (2005 Owed to £31,185)

12. Ultimate parent undertaking

The directors consider the ultimate holding company to be Trafalgar Properties Limited, a Company registered in England and Wales