

Registration number 2673913

W.B. Simpson & Sons (Tiling) Limited
Directors' report and financial statements
for the year ended 31 December 2007

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W.B. Simpson & Sons (Tiling) Limited

Company information

| | |
|-------------------|---|
| Directors | P Valler Esq M Pearson Esq W Valler Esq S Medhurst Esq |
| Secretary | D Barnes Esq |
| Company number | 2673913 |
| 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 (Tiling) Limited

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W.B. Simpson & Sons (Tiling) Limited

Directors' report for the year ended 31 December 2007

The directors present their report and the financial statements for the year ended 31 December 2007

Principal activity

The principal activity of the company is that of ceramic wall and floor tiling 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 | 31/12/07 | 01/01/07 |
|-----------------|-----------------|----------|----------|
| P Valler Esq | Ordinary Shares | - | - |
| M Pearson Esq | Ordinary Shares | 10 | 10 |
| W Valler Esq | Ordinary Shares | - | - |
| S. Medhurst Esq | Ordinary Shares | - | - |

Charitable and Political Contributions

During the year the company contributed £3,724 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

W.B. Simpson & Sons (Tiling) Limited

**Directors' report
for the year ended 31 December 2007**

continued

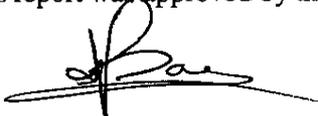
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

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 22 July 2008 and signed on its behalf by



**D. Barnes Esq.
Secretary**

W.B. Simpson & Sons (Tiling) Limited

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

We have audited the financial statements of W B Simpson & Sons (Tiling) Limited for the year ended 31 December 2007 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 January 2005).

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 (Tiling) Limited

Independent auditors' report to the shareholders of W.B. Simpson & Sons (Tiling) 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 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 Directors' Report is consistent with the financial statements

*S Nunn & Co Ltd
22/7/08*

**S. Nunn & Co Ltd
Chartered Accountants and
Registered Auditor
22 July 2008**

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

W.B. Simpson & Sons (Tiling) Limited

**Profit and loss account
for the year ended 31 December 2007**

| | | 2007 | 2006 |
|--|--------------|-----------------------|-----------------------|
| | Notes | £ | £ |
| Turnover | 2 | 7,317,722 | 9,412,699 |
| Cost of sales | | (5,521,955) | (7,431,943) |
| Gross profit | | <u>1,795,767</u> | <u>1,980,756</u> |
| Administrative expenses | | (1,047,612) | (1,221,367) |
| Operating profit | 3 | <u>748,155</u> | <u>759,389</u> |
| Other interest receivable and similar income | | 29,396 | 22,436 |
| Interest payable and similar charges | | (12,484) | (105) |
| Profit on ordinary activities before taxation | | <u>765,067</u> | <u>781,720</u> |
| Tax on profit on ordinary activities | 4 | (235,780) | (239,065) |
| Profit on ordinary activities after taxation | | <u>529,287</u> | <u>542,655</u> |
| Retained profit for the year | 11 | <u>529,287</u> | <u>542,655</u> |
| Retained profit brought forward | | 163,084 | 175,985 |
| Reserve Movements | | (555,556) | (555,556) |
| Retained profit carried forward | | <u><u>136,815</u></u> | <u><u>163,084</u></u> |

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

W.B. Simpson & Sons (Tiling) Limited

**Balance sheet
as at 31 December 2007**

| | | 2007 | | 2006 | |
|---|-------|--------------------|----------------|--------------------|----------------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 6 | | 34,045 | | 45,393 |
| Current assets | | | | | |
| Stocks | 7 | (22,227) | | 873,452 | |
| Debtors | 8 | 1,184,137 | | 1,216,944 | |
| Cash at bank and in hand | | 648 | | 648 | |
| | | <u>1,162,558</u> | | <u>2,091,044</u> | |
| Creditors: amounts falling due within one year | 9 | <u>(1,059,688)</u> | | <u>(1,973,253)</u> | |
| Net current assets | | | <u>102,870</u> | | <u>117,791</u> |
| Net assets | | | <u>136,915</u> | | <u>163,184</u> |
| Capital and reserves | | | | | |
| Called up share capital | 10 | | 100 | | 100 |
| Profit and loss account | 11 | | <u>136,815</u> | | <u>163,084</u> |
| Shareholders' funds | | | <u>136,915</u> | | <u>163,184</u> |

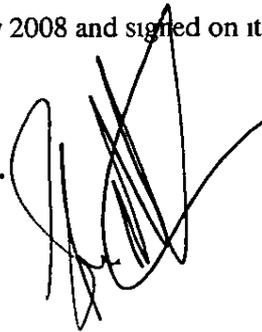
These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective January 2005) relating to small companies

The financial statements were approved by the Board on 22 July 2008 and signed on its behalf by

P. Valler Esq.
Director



S. Medhurst Esq.
Director



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

W.B. Simpson & Sons (Tiling) Limited

**Notes to the financial statements
for the year ended 31 December 2007**

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

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

In respect of long term contracts and contracts for on-going services, turnover is recognised to the extent that the company obtains a right to consideration as contract activity progresses

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

Motor vehicles - 25% on 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 cost charged to the profit and loss account represents the contributions made during the year

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

| | 2007 | 2006 |
|--|---------------|---------------|
| | £ | £ |
| Operating profit is stated after charging | | |
| Depreciation and other amounts written off tangible assets | <u>11,348</u> | <u>12,225</u> |

W.B. Simpson & Sons (Tiling) Limited

**Notes to the financial statements
for the year ended 31 December 2007**

continued

4. Tax on profit on ordinary activities

| Analysis of charge in period | 2007 | 2006 |
|--|----------------|----------------|
| | £ | £ |
| Current tax | | |
| UK corporation tax | 236,175 | 239,065 |
| Adjustments in respect of previous periods | (395) | - |
| | <u>235,780</u> | <u>239,065</u> |

5. Dividends

Dividends paid and proposed on equity shares

| | 2007 | 2006 |
|-------------------------------------|----------------|----------------|
| | £ | £ |
| Paid during the year | | |
| Equity dividends on Ordinary Shares | 555,556 | 555,556 |
| | <u>555,556</u> | <u>555,556</u> |

6. Tangible fixed assets

| | Motor vehicles | Total |
|------------------------|---------------------------|---------------|
| | £ | £ |
| Cost | | |
| At 1 January 2007 | 68,097 | 68,097 |
| At 31 December 2007 | <u>68,097</u> | <u>68,097</u> |
| Depreciation | | |
| At 1 January 2007 | 22,704 | 22,704 |
| Charge for the year | 11,348 | 11,348 |
| At 31 December 2007 | <u>34,052</u> | <u>34,052</u> |
| Net book values | | |
| At 31 December 2007 | <u>34,045</u> | <u>34,045</u> |
| At 31 December 2006 | <u>45,393</u> | <u>45,393</u> |

W.B. Simpson & Sons (Tiling) Limited

**Notes to the financial statements
for the year ended 31 December 2007**

continued

| 7. Stocks | 2007 | 2006 |
|--|------------------|------------------|
| | £ | £ |
| Stocks | 6,953,837 | 5,143,821 |
| Long term contract payments on account | (6,976,064) | (4,270,369) |
| | <u>(22,227)</u> | <u>873,452</u> |
| | | |
| 8. Debtors | 2007 | 2006 |
| | £ | £ |
| Trade debtors | - | 34,863 |
| Amounts recoverable on long term contracts | 138,546 | 1,069,092 |
| Amounts owed by group undertakings | 1,040,599 | 57,130 |
| Amount owed by participating interest | 3,334 | - |
| Other debtors | 1,658 | 32,592 |
| Prepayments and accrued income | - | 23,267 |
| | <u>1,184,137</u> | <u>1,216,944</u> |
| | | |
| 9. Creditors: amounts falling due within one year | 2007 | 2006 |
| | £ | £ |
| Bank overdraft | 38,958 | 373,269 |
| Trade creditors | 118,967 | 326,990 |
| Amounts owed to group undertaking | 148,497 | 417,685 |
| Amounts owed to participating interest | 26,147 | 16,441 |
| Corporation tax | 169,096 | 239,460 |
| Other taxes and social security costs | 314,379 | 416,685 |
| Directors' accounts | 6,918 | - |
| Other creditors | 6,051 | 18,258 |
| Accruals and deferred income | 230,675 | 164,465 |
| | <u>1,059,688</u> | <u>1,973,253</u> |

The bank overdraft is secured by a company debenture and a right of set-off with W B Simpson & Sons (Terrazzo) Ltd

W.B. Simpson & Sons (Tiling) Limited

Notes to the financial statements for the year ended 31 December 2007

continued

| 10. Share capital | 2007 | 2006 |
|---|--|----------------|
| | £ | £ |
| 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> |
| Equity Shares | | |
| 100 Ordinary Shares of 1 each | <u>100</u> | <u>100</u> |
| 11. Reserves | Profit and loss account | Total |
| | £ | £ |
| At 1 January 2007 | 163,084 | 163,084 |
| Retained profit for the year | 529,287 | 529,287 |
| Equity Dividends | (555,556) | (555,556) |
| At 31 December 2007 | <u>136,815</u> | <u>136,815</u> |

12. Related party transactions

During the year, W B Simpson & Sons (Tiling) Ltd was charged £504,000 management charges from Trafalgar Properties Ltd, £57,552 purchases from Traceway Ltd and £303,091 from Kengate Products Ltd. At the year end W B Simpson & Sons (Tiling) Ltd owed £148,497 to W B Simpson & Sons (Terrazzo) Ltd and £2,604 to Traceway Ltd and was owed £988,975 from Trafalgar Properties Ltd, £3,334 from W B Simpson & Sons (Midlands) Ltd and £51,624 from Kengate Products Ltd.

13. Ultimate parent undertaking

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