



GUILDWAY LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009



Company Registration Number SC179909

GUILDWAY LIMITED
ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2009

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GUILDWAY LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31 MARCH 2009

The directors present their report and the financial statements of the company for the year ended 31 March 2009.

Principal activities and business review

During the course of the year the company continued to manufacture and supply timber frames and building packs which fell by 43% in terms of turnover.

At the year end the company had shareholders' funds of £1.45 million (2008: £2.9 million) after dividends paid in the year of £1.5m. The directors therefore believe the company's position to be satisfactory especially as the company's current assets exceed its current liabilities by £1.0 million (2008: £2.3 million).

The year ended 31 March 2009 has been extremely challenging. Activity levels dropped significantly as a direct consequence of the current economic recession and the widely publicised liquidity issues within the financial sector, which have had a severe impact on both the construction and house building industries. As a result, the directors have undertaken a significant re-organisation and rationalisation of the company's operations. The directors anticipate that market conditions will remain in their current depressed state for the foreseeable future.

The directors have assessed the main risks facing the company as both economic and credit risk.

The global economy is facing the most challenging environment for years.

The company manages credit risk by assessing all customers and setting credit ratings which are factored into the credit decision process. The risk is further mitigated by credit insurance policies.

The directors expect the coming year to present extremely challenging trading conditions.

Results and dividends

The profit for the year, after taxation, amounted to £73,818. Particulars of dividends paid are detailed in note 7 to the financial statements.

Financial risk management objectives and policies

The company makes little use of financial instruments other than an operational bank account and so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

Directors

The directors who served the company during the year were as follows:

J C Campbell
D A Fairfoul
M J Walker
B A Paddock
N Simpson

GUILDWAY LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 MARCH 2009

Directors' responsibilities

The directors are responsible for preparing the Annual Report and 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 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; and
- 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 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, individually, aware:

- there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

A resolution to re-appoint Tenon Audit Limited as auditor for the ensuing year will be proposed at the annual general meeting.

Signed by order of the directors



D A Fairfoull
Company Secretary

Approved by the directors on 6 August 2009

GUILDWAY LIMITED
INDEPENDENT AUDITOR'S REPORT TO GUILDWAY LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 14, together with the financial statements of Guildway Limited for the year ended 31 March 2009 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

Tenon Audit Limited

Tenon Audit Limited
Registered Auditor
160 Dundee Street
Edinburgh
EH11 1DQ

Date:- 14/9/09

GUILDWAY LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2009

	Note	2009 £	2008 £
Gross profit		3,091,493	5,449,559
Distribution costs		(456,877)	(855,875)
Exceptional administrative expenses	2	(227,416)	(75,000)
Other administrative expenses		(2,343,370)	(2,760,839)
Operating profit	3	<u>63,830</u>	<u>1,757,845</u>
Interest receivable	4	42,722	18,781
Interest payable and similar charges	5	(3,706)	-
Profit on ordinary activities before taxation		<u>102,846</u>	<u>1,776,626</u>
Tax on profit on ordinary activities	6	(29,028)	(532,832)
Profit for the financial year		<u><u>73,818</u></u>	<u><u>1,243,794</u></u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 6 to 14 form part of these abbreviated accounts.

GUILDWAY LIMITED
Registered Number SC179909
ABBREVIATED BALANCE SHEET

31 MARCH 2009

	Note	2009 £	£	2008 £	£
Fixed assets					
Tangible assets	8		504,740		627,387
Current assets					
Stocks	9	1,153,534		1,306,889	
Debtors	10	1,139,086		3,745,462	
Cash at bank and in hand		501,607		87,156	
		<u>2,794,227</u>		<u>5,139,507</u>	
Creditors: Amounts falling due within one year	11	<u>(1,826,363)</u>		<u>(2,865,305)</u>	
Net current assets			967,864		2,274,202
Total assets less current liabilities			<u>1,472,604</u>		<u>2,901,589</u>
Provisions for liabilities					
Deferred taxation	13		(19,405)		(22,208)
			<u>1,453,199</u>		<u>2,879,381</u>
Capital and reserves					
Called-up share capital	16		2		2
Profit and loss account	17		1,453,197		2,879,379
Shareholders' funds	18		<u>1,453,199</u>		<u>2,879,381</u>

These abbreviated accounts have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors and authorised for issue on 6 August 2009, and are signed on their behalf by:



J C Campbell
Director

The notes on pages 6 to 14 form part of these abbreviated accounts.

GUILDWAY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2009

1. Accounting policies

Basis of accounting

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

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements as the ultimate parent undertaking includes the company in its own published consolidated financial statements.

Turnover

The turnover shown in the profit and loss account represents amounts receivable during the year, exclusive of Value Added Tax. Turnover comprises of sales of timber frames and building packs.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Plant & Machinery	- 10% straight line
Motor Vehicles	- 10%, 20% and 33% straight line
Equipment	- 20% straight line

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis and comprises of purchase costs together with direct freight charges. Net realisable value is based on estimated selling price, less any further costs of realisation.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company's parent undertaking operates a defined benefit pension scheme on behalf of the group's employees. The company participates in this scheme. The assets of the scheme are held in separate trustee administered funds. More than one employer participates in the defined benefit scheme. The company is unable to identify its share of the underlying assets and liabilities in the scheme on a constant and reasonable basis. The contributions to the scheme have therefore been accounted for as if it were a defined contribution scheme and are charged to the profit and loss account in the year in which they become payable.

The company also operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

GUILDWAY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

1. Accounting policies (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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. Exceptional costs

	2009 £	2008 £
Staff redundancy costs	137,416	—
Exceptional pension contributions	90,000	75,000
	<u>227,416</u>	<u>75,000</u>

Staff redundancy costs were incurred during the year in relation to a reorganisation of the company's operations.

The company's parent undertaking operates a defined benefit pension scheme on behalf of the group's employees. As at 15 November 2007, there was a deficit in the market value of the scheme's assets and as such participating companies are paying additional contributions.

3. Operating profit

Operating profit is stated after charging/(crediting):

	2009 £	2008 £
Depreciation of owned fixed assets	145,702	155,862
Profit on disposal of fixed assets	(13,379)	(2,947)
Auditor's remuneration	2,950	2,950
Operating lease costs:		
-Land and buildings	<u>128,590</u>	<u>114,555</u>

GUILDWAY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2009

4. Interest receivable

	2009	2008
	£	£
Bank interest receivable	—	127
Interest from group undertaking	42,722	18,654
	<u>42,722</u>	<u>18,781</u>

5. Interest payable and similar charges

	2009	2008
	£	£
Interest payable on bank borrowing	<u>3,706</u>	—

6. Taxation on ordinary activities

(a) Analysis of charge in the year

	2009		2008	
	£	£	£	£
In respect of the year:				
UK Corporation tax		31,831		526,704
Deferred tax:				
Origination and reversal of timing differences	(2,803)		6,128	
Total deferred tax (note 13)		(2,803)		6,128
Tax on profit on ordinary activities		<u>29,028</u>		<u>532,832</u>

GUILDWAY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2009

6. Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2008 - 30%).

	2009 £	2008 £
Profit on ordinary activities before taxation	102,846	1,776,626
Profit on ordinary activities by rate of tax	28,797	532,988
Effects of:		
Expenses not deductible for tax purposes	231	1,428
Depreciation for the year in excess of capital allowances	2,803	-
Capital allowances in excess of depreciation for the year	-	(8,414)
Movement in provisions	-	702
Total current tax (note 6(a))	31,831	526,704

7. Dividends

Equity dividends

	2009 £	2008 £
Paid during the year:		
Equity dividends on ordinary shares	1,500,000	1,200,000

8. Tangible fixed assets

	Plant & Machinery £	Motor Vehicles £	Equipment £	Total £
Cost				
At 1 April 2008	863,871	805,124	53,510	1,722,505
Additions	-	28,721	-	28,721
Disposals	-	(122,307)	-	(122,307)
At 31 March 2009	863,871	711,538	53,510	1,628,919
Depreciation				
At 1 April 2008	440,952	623,914	30,252	1,095,118
Charge for the year	65,953	70,920	8,829	145,702
On disposals	-	(116,641)	-	(116,641)
At 31 March 2009	506,905	578,193	39,081	1,124,179
Net book value				
At 31 March 2009	356,966	133,345	14,429	504,740
At 31 March 2008	422,919	181,210	23,258	627,387

GUILDWAY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2009

9. Stocks

	2009 £	2008 £
Raw materials	948,433	848,234
Work in progress	155,035	250,124
Finished goods	50,066	208,531
	<u>1,153,534</u>	<u>1,306,889</u>

10. Debtors

	2009 £	2008 £
Trade debtors	1,033,791	3,013,119
Amounts owed by fellow subsidiary undertakings (note 19)	359	606,863
VAT recoverable	20,827	97,427
Prepayments and accrued income	84,109	28,053
	<u>1,139,086</u>	<u>3,745,462</u>

The debtors above include the following amounts falling due after more than one year:

	2009 £	2008 £
Amounts owed by fellow subsidiary undertaking (note 19)	<u>-</u>	<u>600,000</u>

11. Creditors: Amounts falling due within one year

	2009 £	2008 £
Trade creditors	894,350	1,547,963
Amounts owed to fellow subsidiary undertakings (note 19)	568,874	298,468
Corporation tax	31,831	526,651
PAYE and social security	53,507	93,776
Other creditors	11,507	10,158
Accruals and deferred income	266,294	388,289
	<u>1,826,363</u>	<u>2,865,305</u>

At the year end there was an inter-company guarantee and set off arrangement to The Royal Bank of Scotland Plc among Walker Timber Limited, James Walker (Leith) Limited, Dundas Building Company Limited, Dundas Estates and Development Company Limited, Ferryfield House Limited, Ellen's Glen House Limited, Walker Commercial Properties Ltd, Gracemount Medical Centre Limited, Walker Facilities Management Limited, Walker Residential Properties Ltd, Meadows Stockport Limited, Mearns Kirk House Limited, Walker Partnerships Limited, Walker Timber Group Limited, Woodbridge Timber Limited, Guildway Limited, Patrick & Thompsons Limited, Walker Profiles Limited, Cox Long Limited and Walker Profiles (North East) Limited. The exposure to an individual company under this cross-guarantee is limited to its own cash balance.

GUILDWAY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2009

12. Pensions

Certain of the company's employees participate in a group wide defined benefit scheme operated by the parent company. As it is not possible to separately identify the company's share of the assets and liabilities of this scheme the company has, as permitted by Financial Reporting Standard No.17, accounted for contributions made as if it were a defined contribution scheme. The directors are aware that at this time there is an excess of scheme liabilities over assets within the group scheme but are satisfied that the cost to the company of correcting any deficit attributable to its employees would not be material to the company's financial position at the year end. As at 15 November 2007, there was a deficit in the market value of the scheme's assets and as such participating companies are paying additional contributions. An additional contribution of £90,000 (2008: £75,000) was paid by the company during the year.

The company also operates a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The total contributions paid in the year amounted to £79,432 (2008: £78,658). There were no contributions outstanding at the end of the current year or previous year.

13. Deferred taxation

The movement in the deferred taxation provision during the year was:

	2009	2008
	£	£
At 1 April 2008	22,208	16,080
Profit and loss account movement arising during the year	(2,803)	6,128
At 31 March 2009	<u>19,405</u>	<u>22,208</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2009	2008
	£	£
Excess of taxation allowances over depreciation on fixed assets	20,194	22,997
Other timing differences	(789)	(789)
	<u>19,405</u>	<u>22,208</u>

The deferred tax liability of £19,405 (2008: £22,208) has been calculated using a tax rate of 28% (2008: 28%).

14. Derivatives

The company has no financial instruments that fall to be classed as derivatives.

GUILDWAY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2009

15. Commitments under operating leases

At 31 March 2009 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings 2009 £	<i>Land and buildings 2008 £</i>
Operating leases which expire: After more than 5 years	<u>128,590</u>	<u>128,590</u>

16. Share capital

Authorised share capital:

	2009 £	<i>2008 £</i>
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2009 No	£	<i>2008 No</i>	<i>£</i>
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

17. Profit and loss account

	2009 £	<i>2008 £</i>
Balance brought forward	2,879,379	2,835,585
Profit for the financial year	73,818	1,243,794
Equity dividends	(1,500,000)	(1,200,000)
Balance carried forward	<u>1,453,197</u>	<u>2,879,379</u>

GUILDWAY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2009

18. Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Profit for the financial year	73,818	1,243,794
Equity dividends	(1,500,000)	(1,200,000)
Net (reduction)/addition to shareholders' funds	(1,426,182)	43,794
Opening shareholders' funds	2,879,381	2,835,587
Closing shareholders' funds	<u>1,453,199</u>	<u>2,879,381</u>

19. Related parties

The company's immediate parent undertaking is Walker Timber Group Limited, a company registered in Scotland. The company's ultimate parent undertaking is James Walker (Leith) Limited, a company registered in Scotland.

As a wholly owned subsidiary of James Walker (Leith) Limited, advantage has been taken of the exemption granted by Financial Reporting Standard 8, Related Party Disclosures, not to report details of the transactions with entities which are more than 90% controlled by a common parent undertaking.

20. Ultimate controlling party

In the opinion of the directors, the company has no ultimate controlling party.

GUILDWAY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2009

21. Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2009	2008
	No	No
Number of production staff	73	100
Number of administrative staff	57	67
	<u>130</u>	<u>167</u>

The aggregate payroll costs of the above were:

	2009	2008
	£	£
Wages and salaries	2,347,432	3,179,132
Social security costs	224,903	298,795
Other pension costs	79,432	78,658
	<u>2,651,767</u>	<u>3,556,585</u>

22. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2009	2008
	£	£
Emoluments receivable	189,467	183,270
Value of company pension contributions to money purchase schemes	5,527	5,496
	<u>194,994</u>	<u>188,766</u>