
L W WEDD & SON LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006



L W WEDD & SON LIMITED

COMPANY INFORMATION

DIRECTORS	Mrs M A P Wedd Mr P D Wedd
SECRETARY	Mr P D Wedd
COMPANY NUMBER	01336997
REGISTERED OFFICE	Granta Terrace Stapleford Cambridge CB22 5DJ
AUDITORS	Peters Elworthy & Moore Chartered Accountants & Registered Auditors Salisbury House Station Road Cambridge CB1 2LA
BANKERS	Lloyds TSB Bank plc 79/80 Cherry Hinton Road Cambridge CB1 7BH

L W WEDD & SON LIMITED

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L W WEDD & SON 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

STATEMENT OF 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 that 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.

So far as each of the directors is aware at the time the report is approved

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

PRINCIPAL ACTIVITIES

The principal activity of the company continued to be that of builders and joiners and the directors intend to continue and develop these activities.

DIRECTORS

The directors who served during the year and their interests in the company's issued share capital were

	Ordinary Shares shares of £1 each	
	31/12/06	1/1/06
Mrs M A P Wedd	270	270
Mr P D Wedd	450	450

AUDITORS

The auditors, Peters Elworthy & Moore, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

L W WEDD & SON LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2006

This report was approved by the board on 14 September 2007 and signed on its behalf



Mr P D Wedd
Secretary

L W WEDD & SON LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF L W WEDD & SON LIMITED

We have audited the financial statements of L W Wedd & Son Limited for the year ended 31 December 2006 set out on pages 5 to 12

These financial statements have been prepared in accordance with 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 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 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 Annual 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 judgments 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.

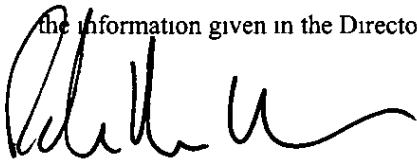
L W WEDD & SON LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF L W WEDD & SON LIMITED

OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to 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



PETERS ELWORTHY & MOORE

Chartered Accountants
Registered Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

18 September 2007

L W WEDD & SON LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Note	2006 £	2005 £
TURNOVER	1	1,463,629	1,815,504
Cost of sales		<u>(1,375,807)</u>	<u>(1,580,960)</u>
GROSS PROFIT		87,822	234,544
Administrative expenses		<u>(32,199)</u>	<u>(50,523)</u>
OPERATING PROFIT	2	55,623	184,021
Interest receivable		3,156	2,730
Interest payable		<u>(4,442)</u>	<u>(4,792)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		54,337	181,959
Tax on profit on ordinary activities	4	<u>(10,200)</u>	<u>(34,620)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12	<u>44,137</u>	<u>147,339</u>

The notes on pages 7 to 12 form part of these financial statements

L W WEDD & SON LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2006**

	Note	£	2006 £	£	2005 £
FIXED ASSETS					
Tangible fixed assets	6		33,992		31,055
CURRENT ASSETS					
Stocks	7	-		192,960	
Debtors	8	520,308		392,891	
Cash at bank and in hand		5,278		185,232	
		<u>525,586</u>		<u>771,083</u>	
CREDITORS: amounts falling due within one year	9	<u>(132,475)</u>		<u>(404,172)</u>	
NET CURRENT ASSETS			<u>393,111</u>		<u>366,911</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>427,103</u>		<u>397,966</u>
CAPITAL AND RESERVES					
Called up share capital	11		1,000		1,000
Profit and loss account	12		426,103		396,966
SHAREHOLDERS' FUNDS			<u>427,103</u>		<u>397,966</u>

The financial statements have been 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 January 2005)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
14 September 2007



**Mr P D Wedd
Director**

The notes on pages 7 to 12 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

1.2 CASH FLOW

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2005)

1.3 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

Turnover is recognised once a contractual entitlement has arisen

Turnover in respect of long-term contracts and contracts for on-going services is calculated by reference to the stage of completion

1.4 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Plant & machinery	-	25%	of net book value
Motor vehicles	-	25%	of net book value
Fixtures & fittings	-	25%	of net book value

1.5 LEASING AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 STOCKS AND WORK IN PROGRESS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

L W WEDD & SON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

1. ACCOUNTING POLICIES (continued)

1.7 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.8 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

The assets of the scheme are held separately to those of the company

1.9 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

The operating profit is stated after charging

	2006 £	2005 £
Depreciation of tangible fixed assets		
- owned by the company	11,320	10,353
Auditors' remuneration	3,500	3,650
Pension costs	3,571	3,962
	<hr/>	<hr/>

During the year, no director received any emoluments (2005 - £NIL)

L W WEDD & SON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

3 STAFF COSTS

Staff costs were as follows

	2006	2005
	£	£
Wages and salaries	62,512	147,093
Social security costs	5,749	13,260
Other pension costs	3,571	3,962
	71,832	164,315

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

2006	2005
No.	No.
0	0

4. TAXATION

	2006	2005
	£	£
ANALYSIS OF TAX CHARGE IN THE YEAR		
CURRENT TAX (see note below)		
UK corporation tax charge on profits for the year	3,950	520
DEFERRED TAX (see note 10)		
Origination and reversal of timing differences	6,250	34,100
TAX ON PROFIT ON ORDINARY ACTIVITIES	10,200	34,620

5. DIVIDENDS

	2006	2005
	£	£
Dividends paid on equity capital	15,000	-

L W WEDD & SON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

6. TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Furniture, fittings and equipment £	Total £
COST				
At 1 January 2006	129,123	100,335	19,061	248,519
Additions	-	18,111	-	18,111
Disposals	-	(27,840)	-	(27,840)
At 31 December 2006	129,123	90,606	19,061	238,790
DEPRECIATION				
At 1 January 2006	119,803	80,356	17,305	217,464
Charge for the year	2,340	8,560	420	11,320
On disposals	-	(23,986)	-	(23,986)
At 31 December 2006	122,143	64,930	17,725	204,798
NET BOOK VALUE				
At 31 December 2006	6,980	25,676	1,336	33,992
At 31 December 2005	9,320	19,979	1,756	31,055

7 STOCKS

	2006 £	2005 £
Raw materials	-	6,657
Work in progress	-	2,139,468
Long term contract balances	-	(1,953,165)
	-	192,960

Long term contract balances consist of

	2006 £	2005 £
Applicable payments on account	-	(1,953,165)

L W WEDD & SON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

8. DEBTORS

	2006 £	2005 £
Trade debtors	334,157	369,638
Other debtors	185,001	15,853
Deferred tax asset (see note 10)	1,150	7,400
	<u>520,308</u>	<u>392,891</u>

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

	2006 £	2005 £
Bank loans and overdrafts	59,000	59,000
Trade creditors	18,187	108,505
Corporation tax	3,950	520
Social security and other taxes	20,234	3,346
Other creditors	31,104	232,801
	<u>132,475</u>	<u>404,172</u>

10. DEFERRED TAX ASSET

	2006 £	2005 £
At 1 January 2006 and 31 December 2006	<u>1,150</u>	<u>7,400</u>

The deferred tax asset is made up as follows

	2006 £	2005 £
Accelerated capital allowances	1,150	1,400
Tax losses brought forward	-	6,000
	<u>1,150</u>	<u>7,400</u>

L W WEDD & SON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

11 SHARE CAPITAL

	2006 £	2005 £
AUTHORISED		
50,000 Ordinary Shares shares of £1 each	<u>50,000</u>	<u>50,000</u>
ALLOTTED, CALLED UP AND FULLY PAID		
1,000 Ordinary Shares shares of £1 each	<u>1,000</u>	<u>1,000</u>

12. RESERVES

	Profit and loss account £
At 1 January 2006	396,966
Profit retained for the year	44,137
Dividends Equity capital	(15,000)
	<u>426,103</u>
At 31 December 2006	<u>426,103</u>

13. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for its employees. The pension cost charge represents contributions payable by the company and amounted to £3,571 (2005 £3,962). There were no contributions to the directors pension scheme during the year.

14. RELATED PARTY TRANSACTIONS

L W Wedd and Son

For the purposes of Section 232 of the 1985 Companies Act, Mrs M A P Wedd and Mr P D Wedd are associated with L W Wedd and Son.

Other creditors include £17,918 owing to L W Wedd & Son (2005 £218,608). This amount is free of interest with no fixed repayment date.

As a result of their association the aforementioned directors had material interests in trading transactions with L W Wedd and Son. These comprise purchases of £1,163,783 (2005 £1,260,161) on commercial terms.

Mrs M A P Wedd and Mr P D Wedd being directors and shareholders control the company.