

REGISTRAR

COMPANY REGISTRATION NUMBER 35630 ✓

**WEBSTER & HORSFALL LIMITED
ABBREVIATED ACCOUNTS
FOR
31 DECEMBER 2005**



MGI WENHAM MAJOR LIMITED

Registered Auditors
89 Cornwall Street
Birmingham
B3 3BY

WEBSTER & HORSFALL LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2005

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WEBSTER & HORSFALL LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2005

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2005.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of manufacture of wire from steel rods and stockists of machinery, strip metal and additional wire products.

The results for the year and the financial position at the end of the year were considered satisfactory by the directors.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £262,190. Particulars of dividends paid are detailed in note 7 to the financial statements.

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

		At 31 December 2005	At 1 January 2005
Mr PJC Robinson	Ordinary 'A'	8,000	8,000
	Ordinary 'B'	17,875	17,875
Mr CAC Horsfall	Ordinary 'A'	-	-
	Ordinary 'B'	2,291	2,291
Mr GHGC Horsfall	Ordinary 'A'	12,740	12,740
	Ordinary 'B'	2,272	2,272
Col JHC Horsfall	Ordinary 'A'	21,220	21,220
	Ordinary 'B'	7,200	7,200
Mr JMC Horsfall	Ordinary 'B'	4,612	4,612
Mr BP Knox-Peebles	Ordinary 'A'	12,040	12,040
	Ordinary 'B'	18,060	18,060
Mr CW Bragg	Ordinary 'A'	500	500
	Ordinary 'B'	3,750	3,750
Mr WI Lawrie	Ordinary 'A'	1,370	1,370
	Ordinary 'B'	5,500	5,500

Mr CALC Horsfall (deceased 26 July 2005)

Mr CW Bragg (deceased 9 February 2006)

Mr CAC Horsfall is a joint trustee of a non-beneficial holding of 21,340 ordinary "A" shares (2004: 21,340).

Mr GHGC Horsfall is a joint trustee of a non-beneficial holding of 11,100 ordinary "A" shares (2004: 11,100).

RETIREMENT OF DIRECTORS

The following directors are to retire from the board in accordance with the Articles of Association and, being eligible, offer themselves for re-appointment:

Mr JMC Horsfall
Mr PJC Robinson

WEBSTER & HORSFALL LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2005

FIXED ASSETS

The directors are of the opinion that the market value of the properties at the year end would significantly exceed the net book values included in the financial statements, but they are unable to quantify this excess in the absence of a professional valuation, the costs of which are not considered justifiable in view of the company's intention to retain its existing properties for use in its business for the foreseeable future.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 year. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 10 to 12, 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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.

CLOSE COMPANY PROVISIONS

In the opinion of the directors, the company is a close company within the meaning of S.414 Income and Corporation Taxes Act, 1988 (as amended).

DONATIONS

During the year the company made the following contributions:

	2005	2004
	£	£
Charitable	<u>36</u>	<u>300</u>

WEBSTER & HORSFALL LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2005

AUDITOR

On 11 November 2005, MGI Wenham Major LLP transferred its business to a limited company, MGI Wenham Major Limited. The directors have consented to extend the audit appointment to MGI Wenham Major Limited from 11 November 2005.

A resolution to re-appoint MGI Wenham Major Limited as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
The Fordrough
Hay Mills
Birmingham
B25 8DW

Signed on behalf of the directors



PJC Robinson
Director

Approved by the directors on 27 June 2006

WEBSTER & HORSFALL LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE COMPANY
PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 5 to 19, together with the financial statements of the company for the year ended 31 December 2005 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 audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE 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 accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

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 Act, and the abbreviated accounts on pages 5 to 19 are properly prepared in accordance with those provisions.

MGI Wenham Major Limited

MGI WENHAM MAJOR LIMITED

Registered Auditors

89 Cornwall Street
Birmingham
B3 3BY

27 June 2006

WEBSTER & HORSFALL LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2005

	Note	2005 £	2004 (restated) £
GROSS PROFIT		2,265,727	2,426,287
Distribution costs		6,547	5,724
Administrative expenses		1,931,524	1,899,497
OPERATING PROFIT	2	<u>327,656</u>	<u>521,066</u>
Income from participating interests	5	4,117	4,117
Interest receivable		1,361	1,065
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>333,134</u>	<u>526,248</u>
Tax on profit on ordinary activities	6	70,944	(149,000)
PROFIT FOR THE FINANCIAL YEAR		<u><u>262,190</u></u>	<u><u>675,248</u></u>

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

The notes on pages 10 to 19 form part of these abbreviated accounts.

WEBSTER & HORSFALL LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 DECEMBER 2005

	2005	2004 <i>(restated)</i>
	£	£
Profit for the financial year attributable to the shareholders	262,190	675,248
Total recognised gains and losses relating to the year	<u>262,190</u>	<u>675,248</u>
Prior year adjustment (see note 8)	<u>93,384</u>	
Total gains and losses recognised since the last annual report	<u>355,574</u>	

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005	2004 <i>(restated)</i>
	£	£
Profit for the financial year	262,190	675,248
Dividends	(163,422)	(70,039)
Opening shareholders' equity Profit	2,945,568	2,433,743
Prior year adjustment (see note 8)	<u>93,384</u>	-
	<u>3,038,952</u>	<u>2,433,743</u>
Closing shareholders' equity Profit	<u>3,137,720</u>	<u>3,038,952</u>

The notes on pages 10 to 19 form part of these abbreviated accounts.

WEBSTER & HORSFALL LIMITED

ABBREVIATED BALANCE SHEET

31 DECEMBER 2005

		2005		2004 <i>(restated)</i>
	Note	£	£	£
FIXED ASSETS				
Tangible assets	9		154,340	120,841
Investments	10		13,341	13,341
			<u>167,681</u>	<u>134,182</u>
CURRENT ASSETS				
Stocks	11	1,613,841		1,540,617
Debtors	12	2,032,824		2,273,936
Cash at bank and in hand		212,997		21,686
			<u>3,859,662</u>	<u>3,836,239</u>
CREDITORS: Amounts falling due within one year	14		<u>889,623</u>	<u>931,469</u>
NET CURRENT ASSETS			<u>2,970,039</u>	<u>2,904,770</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,137,720</u>	<u>3,038,952</u>
CAPITAL AND RESERVES				
Called-up equity share capital	17		233,461	233,461
Other reserves	18		336,888	336,888
Profit and loss account	19		2,567,371	2,468,603
SHAREHOLDERS' FUNDS			<u>3,137,720</u>	<u>3,038,952</u>

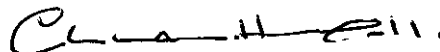
These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on the 27 June 2006 and are signed on their behalf by:

PJC ROBINSON
Director



CAC HORSFALL
Director



The notes on pages 10 to 19 form part of these abbreviated accounts.

WEBSTER & HORSFALL LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2005

	2005	2004 <i>(restated)</i>
	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	436,443	126,519
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Income from participating interests	4,117	4,117
Interest received	<u>1,361</u>	<u>1,065</u>
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	5,478	5,182
TAXATION	(17,944)	-
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(76,744)	(7,700)
Receipts from sale of fixed assets	<u>7,500</u>	<u>300</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(69,244)	(7,400)
EQUITY DIVIDENDS PAID	(163,422)	(105,058)
CASH INFLOW BEFORE FINANCING	<u>191,311</u>	<u>19,243</u>
FINANCING		
Capital element of hire purchase	-	(6,210)
NET CASH OUTFLOW FROM FINANCING	-	(6,210)
INCREASE IN CASH	<u>191,311</u>	<u>13,033</u>

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2005	2004 <i>(restated)</i>
	£	£
Operating profit	327,656	521,066
Depreciation	38,005	29,043
Profit on disposal of fixed assets	(2,260)	(300)
Increase in stocks	(73,224)	(268,264)
Decrease/(increase) in debtors	188,112	(103,538)
Decrease in creditors	<u>(41,846)</u>	<u>(51,488)</u>
Net cash inflow from operating activities	<u>436,443</u>	<u>126,519</u>

The notes on pages 10 to 19 form part of these abbreviated accounts.

WEBSTER & HORSFALL LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31 DECEMBER 2005

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2005		2004 <i>(restated)</i>
	£	£	£
Increase in cash in the period	191,311		13,033
Cash outflow in respect of hire purchase	—		6,210
		191,311	19,243
Change in net funds		191,311	19,243
Net funds at 1 January 2005		21,686	2,443
Net funds at 31 December 2005		212,997	21,686

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2005	Cash flows	At 31 Dec 2005
	£	£	£
Net cash:			
Cash in hand and at bank	21,686	191,311	212,997
Net funds	21,686	191,311	212,997

The notes on pages 10 to 19 form part of these abbreviated accounts.

WEBSTER & HORSFALL LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2005

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

The financial statements have been 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 following Financial Reporting Standards:

- FRS 21 'Events after the Balance Sheet date (IAS 10)'; and
- the presentation requirements of 'FRS 25 'Financial Instruments: Disclosure and Presentation (IAS 32)''.

FRS 21 'Events after the Balance Sheet date (IAS 10)'

The adoption of FRS 21 has resulted in a change in accounting policy in respect of proposed equity dividends. If the company declares dividends to the holders of equity instruments after the balance sheet date, the company does not recognise those dividends as a liability at the balance sheet date. The aggregate amount of equity dividends proposed before approval of the financial statements, which have not been shown as liabilities at the balance sheet date, are disclosed in the notes to the financial statements. Previously, proposed equity dividends were recorded as liabilities at the balance sheet date.

This change in accounting policy has resulted in a prior year adjustment for the company. Shareholders' funds at 1 January 2005 have been increased by £93,384. For year ended 31 December 2005, the change in accounting policy has resulted in a net decrease in retained profit for the year of £93,384. The balance sheet at 31 December 2004 has been restated to reflect the de-recognition of a liability for proposed equity dividends of £93,384. For year ended 31 December 2004, the change in accounting policy has resulted in a net increase in retained profit for the year of £93,384.

FRS 25 'Financial Instruments: Disclosure and Presentation (IAS 32)'

The adoption of FRS25 has resulted in no changes in the financial statements in either the current or preceding year.

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

WEBSTER & HORSFALL LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2005

1. ACCOUNTING POLICIES *(continued)*

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	-	Over 40 years
Plant & Machinery	-	10% straight line per annum
Fixtures & Fittings	-	20% straight line per annum
Motor Vehicles	-	25% straight line per annum

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding.

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 operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

WEBSTER & HORSFALL LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2005

1. ACCOUNTING POLICIES *(continued)*

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

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.

Grants

Government and other grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account as other operating income, over the estimated useful life of the assets to which they relate.

Government and other grants in respect of non-capital expenditure are credited to the profit and loss account as other operating income in the period in which the expenditure was incurred.

2. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2005	2004 <i>(restated)</i>
	£	£
Depreciation of owned fixed assets	38,005	29,043
Profit on disposal of fixed assets	(2,260)	(300)
Auditor's remuneration		
- as auditor	15,594	16,876
- for other services	5,906	3,386
Operating lease costs:		
Plant and equipment	6,620	7,943
Net profit on foreign currency translation	<u>(2,005)</u>	<u>(5,964)</u>

WEBSTER & HORSFALL LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2005

3. PARTICULARS OF EMPLOYEES

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

	2005	2004 <i>(restated)</i>
	No	No
Number of production staff	66	69
Number of distribution staff	12	12
Number of administrative staff	19	17
	<u>97</u>	<u>98</u>

The aggregate payroll costs of the above were:

	2005	2004 <i>(restated)</i>
	£	£
Wages and salaries	1,989,512	1,899,202
Social security costs	198,973	190,709
Staff pension contributions	104,435	106,646
Other pension costs	2,000	2,000
	<u>2,294,920</u>	<u>2,198,557</u>

4. DIRECTORS' EMOLUMENTS

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

	2005	2004 <i>(restated)</i>
	£	£
Emoluments receivable	179,643	180,709
Value of company pension contributions to money purchase schemes	13,039	13,043
	<u>192,682</u>	<u>193,752</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2005	2004 <i>(restated)</i>
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

5. INCOME FROM PARTICIPATING INTERESTS

	2005	2004 <i>(restated)</i>
	£	£
Income from participating interests	<u>4,117</u>	<u>4,117</u>

WEBSTER & HORSFALL LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2005

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2005	2004 <i>(restated)</i>
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 19% (2004 - 19%)	18,000	18,000
Over/under provision in prior year	<u>(56)</u>	<u>-</u>
Total current tax	17,944	18,000
Deferred tax:		
Origination and reversal of timing differences	53,000	(167,000)
Tax on profit on ordinary activities	<u>70,944</u>	<u>(149,000)</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19% (2004 - 19%).

	2005	2004 <i>(restated)</i>
	£	£
Profit on ordinary activities before taxation	<u>333,134</u>	<u>526,248</u>
Profit on ord actvs by standard rate of tax	63,295	99,987
Expenses not deductible for tax purposes	2,719	399
Capital allowances for period in excess of depreciation	(8,446)	(6,385)
Utilisation of tax losses	(41,241)	(76,057)
Adjustment to tax charge in respect of previous periods	(56)	-
Rounding of current year tax provision	1,673	56
Total current tax (note 6(a))	<u>17,944</u>	<u>18,000</u>

(c) Factors that may affect future tax charges

There are carried forward tax losses of approximately £550,000 (2004: £770,000).

7. DIVIDENDS

Dividends on equity shares

	2005	2004 <i>(restated)</i>
	£	£
Paid		
Equity dividends on ordinary shares	<u>163,422</u>	<u>70,039</u>
Proposed after the year end (not recognised as a liability)		
Equity dividends on ordinary shares	<u>81,711</u>	<u>93,384</u>

WEBSTER & HORSFALL LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2005

8. PRIOR YEAR ADJUSTMENT

Proposed dividends payable amounting to £93,384 accounted for in year ended 31 December 2004 have been treated as a prior year adjustment. Profit and loss account reserves for the current period have been adjusted for this amount. This is due to a change in accounting policy resulting from adoption of Financial Reporting Standard 21 'Events after the Balance Sheet Date' (effective January 2005).

9. TANGIBLE FIXED ASSETS

	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST					
At 1 January 2005	115,536	1,340,108	516,575	493,399	2,465,618
Additions	-	7,185	19,198	50,361	76,744
Disposals	-	-	-	(17,966)	(17,966)
At 31 December 2005	<u>115,536</u>	<u>1,347,293</u>	<u>535,773</u>	<u>525,794</u>	<u>2,524,396</u>
DEPRECIATION					
At 1 January 2005	94,529	1,289,261	500,591	460,396	2,344,777
Charge for the year	-	7,373	9,298	21,334	38,005
On disposals	-	-	-	(12,726)	(12,726)
At 31 December 2005	<u>94,529</u>	<u>1,296,634</u>	<u>509,889</u>	<u>469,004</u>	<u>2,370,056</u>
NET BOOK VALUE					
At 31 December 2005	<u>21,007</u>	<u>50,659</u>	<u>25,884</u>	<u>56,790</u>	<u>154,340</u>
At 31 December 2004	<u>21,007</u>	<u>50,847</u>	<u>15,984</u>	<u>33,003</u>	<u>120,841</u>

The cost of depreciable assets included in land and buildings at the year end is £94,529.

10. INVESTMENTS

	Reddiwire Limited £	Latch and Batchelor Limited £	Total £
COST			
At 1 January 2005 and 31 December 2005	<u>1</u>	<u>13,340</u>	<u>13,341</u>
NET BOOK VALUE			
At 31 December 2005	<u>1</u>	<u>13,340</u>	<u>13,341</u>
At 31 December 2004	<u>1</u>	<u>13,340</u>	<u>13,341</u>

WEBSTER & HORSFALL LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2005

10. INVESTMENTS *(continued)*

The company owns 42.9% of the issued share capital of Latch & Bachelor Limited, a company incorporated in England and Wales. The company manufactures and factors steel wire rope.

The company owns 100% of the issued share capital of Reddiwire Limited, a company incorporated in England and Wales. Reddiwire Limited has been dormant throughout the current accounting period.

	2005	2004 <i>(restated)</i>
	£	£
Aggregate capital and reserves		
Latch & Bachelor Limited	447,765	473,705
Reddiwire Limited	-	-
Profit and (loss) for the year		
Latch & Bachelor Limited	(16,053)	60,955
Reddiwire Limited	-	-

11. STOCKS

	2005	2004 <i>(restated)</i>
	£	£
Raw materials	296,400	411,903
Work in progress	327,356	250,687
Finished goods	990,085	878,027
	<u>1,613,841</u>	<u>1,540,617</u>

12. DEBTORS

	2005	2004 <i>(restated)</i>
	£	£
Trade debtors	1,570,064	1,702,624
Amounts owed by undertakings in which the company has a participating interest	307,986	382,454
Prepayments and accrued income	40,774	21,858
Deferred taxation (note 13)	114,000	167,000
	<u>2,032,824</u>	<u>2,273,936</u>

WEBSTER & HORSFALL LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2005

13. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows:

	2005	2004 <i>(restated)</i>
	£	£
Included in debtors (note 12)	<u>114,000</u>	<u>167,000</u>

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

	2005	2004 <i>(restated)</i>
	£	£
Balance brought forward	167,000	-
Profit and loss account movement arising during the year	<u>(53,000)</u>	<u>167,000</u>
Balance carried forward	<u>114,000</u>	<u>167,000</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2005	2004 <i>(restated)</i>
	£	£
Excess of taxation allowances over depreciation on fixed assets	9,000	21,000
Tax losses available	<u>105,000</u>	<u>146,000</u>
	<u>114,000</u>	<u>167,000</u>

14. CREDITORS: Amounts falling due within one year

	2005	2004 <i>(restated)</i>
	£	£
Trade creditors	548,661	567,147
Corporation tax	18,000	18,000
Other taxation and social security	170,546	194,649
Accruals and deferred income	<u>152,416</u>	<u>151,673</u>
	<u>889,623</u>	<u>931,469</u>

15. PENSIONS

The company operates a defined contribution pension scheme. The funds of the scheme are administered by Trustees and are separate from the company. The company's contribution for the year was £105,268 (2004: £106,646).

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16. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2005 the company had annual commitments under non-cancellable operating leases as set out below.

	2005		2004	
	Land & Buildings	Other Items	Land & Buildings <i>(restated)</i>	Other Items
	£	£	£	£
Operating leases which expire:				
Within 1 year	-	3,911	9,865	-
Within 2 to 5 years	-	1,768	-	6,620
	<u>-</u>	<u>5,679</u>	<u>9,865</u>	<u>6,620</u>

17. SHARE CAPITAL

Authorised share capital:

	2005	2004 <i>(restated)</i>
	£	£
97,982 Ordinary 'A' shares of £1 each	97,982	97,982
135,479 Ordinary 'B' shares of £1 each	135,479	135,479
	<u>233,461</u>	<u>233,461</u>

Allotted, called up and fully paid:

	2005		2004	
	No	£	No	£
Ordinary 'A' shares of £1 each	97,982	97,982	97,982	97,982
Ordinary 'B' shares of £1 each	135,479	135,479	135,479	135,479
	<u>233,461</u>	<u>233,461</u>	<u>233,461</u>	<u>233,461</u>
Equity shares				
Ordinary 'A' shares of £1 each	97,982	97,982	97,982	97,982
Ordinary 'B' shares of £1 each	135,479	135,479	135,479	135,479
	<u>233,461</u>	<u>233,461</u>	<u>233,461</u>	<u>233,461</u>

18. OTHER RESERVES

	2005	2004 <i>(restated)</i>
	£	£
Capital redemption reserve	161,539	161,539
Plant replacement reserve balance brought forward	31,000	31,000
Capital reserve balance brought forward	100,000	100,000
General reserve balance brought forward	44,349	44,349
	<u>336,888</u>	<u>336,888</u>

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19. PROFIT AND LOSS ACCOUNT

	2005	2004 <i>(restated)</i>
	£	£
Balance brought forward as previously reported	2,375,219	1,863,394
Prior year adjustment (note 8)	93,384	—
Balance brought forward restated	<u>2,468,603</u>	<u>1,863,394</u>
Profit for the financial year	262,190	675,248
Equity dividends paid (FRS 25)	<u>(163,422)</u>	<u>(70,039)</u>
Balance carried forward	<u><u>2,567,371</u></u>	<u><u>2,468,603</u></u>