

ABBREVIATED AUDITED ACCOUNTS
FOR THE PERIOD 1 JANUARY 2007 TO 30 JUNE 2008
FOR
W G DAVIES (LANDORE) LIMITED

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W G DAVIES (LANDORE) LIMITED

CONTENTS OF THE ABBREVIATED ACCOUNTS FOR THE PERIOD 1 JANUARY 2007 TO 30 JUNE 2008

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors on the Abbreviated Accounts	4
Abbreviated Profit and Loss Account	5
Abbreviated Balance Sheet	6
Cash Flow Statement	8
Notes to the Cash Flow Statement	9
Notes to the Abbreviated Accounts	11

W G DAVIES (LANDORE) LIMITED

COMPANY INFORMATION

FOR THE PERIOD 1 JANUARY 2007 TO 30 JUNE 2008

DIRECTORS:

M R Davies
W J B Davies
Mrs E Davies
W D Lloyd
M R Jones

SECRETARY:

W D Lloyd

REGISTERED OFFICE:

11 St David's Road
Swansea Enterprise Park
Swansea
SA6 8QL

REGISTERED NUMBER:

00470607 (England and Wales)

AUDITORS:

Graham Paul Limited
10-12 Dunraven Place
Bridgend
CF31 1JD

W G DAVIES (LANDORE) LIMITED

REPORT OF THE DIRECTORS FOR THE PERIOD 1 JANUARY 2007 TO 30 JUNE 2008

The directors present their report with the accounts of the company for the period 1 January 2007 to 30 June 2008.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of the sale of commercial vehicle parts and repairs.

REVIEW OF BUSINESS

The results for the period and financial position of the company are as shown in the annexed accounts.

Whilst trading activity had remained fairly constant, during the eighteen months the company has undergone significant changes in structure, headcount and commercial focus. The directors have decided that the primary objective is to return to core business activities, i.e service and parts sales. The company relinquished the sale of used vehicles in October 2007. The centralised parts operation was closed in April 2008, and staff deployed in Cardiff and Swansea.

The MAN parts stock was sold back to the manufacturer and the remaining book stock adjusted to reflect the remaining physical stock. The exceptional item in these accounts can be directly related to the stock valuations reported in previous periods. Control mechanisms have been introduced to eliminate any future repetition of this incidence.

In the process of structural change, a major revision of the company's financial position has resulted in reporting significant losses attributable to current and previous periods.

The operating loss includes a number of adjustments that reflect this. In addition, costs of reorganisation have been charged to the accounts for this period.

The company operates a KPI review system on a monthly basis, involving operations managers, seen as key to achieving the company's future improvements.

DIVIDENDS

No dividends will be distributed for the period ended 30 June 2008.

FUTURE DEVELOPMENTS

All significant reorganisational issues were completed during this trading period. The focus of the directors and management team for 2009 is to provide continued improvements in efficiency and customer service levels, resulting in a return to profitability.

Whilst the current economic climate is not viewed as good, the company has a strong customer base. The directors are confident that they have in place a sound management team with sufficient drive and focus to improve on the current trading position.

The company is entering a period of consolidation, and as such no significant developments are envisaged at this point in time. However in preparation of the December 2008 accounts, the company will revalue its commercial short leasehold property at Swansea

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2007 to the date of this report.

M R Davies
W J B Davies
Mrs E Davies

W G DAVIES (LANDORE) LIMITED

REPORT OF THE DIRECTORS FOR THE PERIOD 1 JANUARY 2007 TO 30 JUNE 2008

DIRECTORS - continued

Other changes in directors holding office are as follows:

W D Lloyd - appointed 8 November 2007

M R Jones - appointed 8 November 2007

Ms J Davies - resigned 31 October 2007

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the period the company made charitable donations of £2,015.

STATEMENT OF 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 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

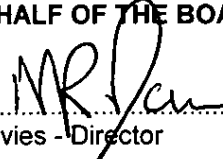
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:


.....
M R Davies - Director

Date: 26th March 2009.

**REPORT OF THE INDEPENDENT AUDITORS TO
W G DAVIES (LANDORE) LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages five to twenty one, together with the financial statements of W G Davies (Landore) Limited for the period ended 30 June 2008 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 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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.

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 Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

Other information

On 26 March 2009 we reported, as auditors to the shareholders of the company on the financial statements for the period ended 30 June 2008 prepared under Section 226 of the Companies Act 1985, and our report included the following extract:

"Emphasis of matter - going concern

In forming our opinion we have considered the adequacy of the disclosures made in the notes to the accounts concerning the material uncertainty in respect of going concern. In view of the significance of this uncertainty we consider that it should be drawn to your attention, but our opinion is not qualified in this respect."


Graham Paul Limited
10-12 Dunraven Place
Bridgend
CF31 1JD

Date: 26 March 2009

W G DAVIES (LANDORE) LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD 1 JANUARY 2007 TO 30 JUNE 2008

	Notes	Period 1.1.07 to 30.6.08 £	Year Ended 31.12.06 £
GROSS PROFIT		3,126,277	2,190,834
Administrative expenses		3,629,338	2,126,234
OPERATING (LOSS)/PROFIT	3	(503,061)	64,600
Exceptional stock losses incurred		369,039	-
		(872,100)	64,600
Interest payable and similar charges	4	148,370	44,249
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,020,470)	20,351
Tax on (loss)/profit on ordinary activities	5	(15,915)	7,259
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION		<u>(1,004,555)</u>	<u>13,092</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current period or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current period and the profit for the previous year.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material.

The notes form part of these abbreviated accounts

W G DAVIES (LANDORE) LIMITED

ABBREVIATED BALANCE SHEET 30 JUNE 2008

		2008		2006	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	6		636,180		695,275
Investments	7		-		-
			<u>636,180</u>		<u>695,275</u>
CURRENT ASSETS					
Stocks	8	202,640		775,916	
Debtors	9	1,116,508		1,391,443	
Cash at bank and in hand		367		118,974	
		<u>1,319,515</u>		<u>2,286,333</u>	
CREDITORS					
Amounts falling due within one year	10	2,331,018		2,379,475	
NET CURRENT LIABILITIES			<u>(1,011,503)</u>		<u>(93,142)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			(375,323)		602,133
CREDITORS					
Amounts falling due after more than one year	11		(421,660)		(472,597)
PROVISIONS FOR LIABILITIES	15		-		(15,915)
ACCRUALS AND DEFERRED INCOME	16		-		(11,049)
NET (LIABILITIES)/ASSETS			<u>(796,983)</u>		<u>102,572</u>
CAPITAL AND RESERVES					
Called up share capital	17		70,000		10,000
Share premium	18		45,000		-
Profit and loss account	18		(911,983)		92,572
SHAREHOLDERS' FUNDS	21		<u>(796,983)</u>		<u>102,572</u>

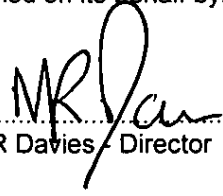
The notes form part of these abbreviated accounts

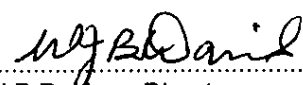
W G DAVIES (LANDORE) LIMITED

ABBREVIATED BALANCE SHEET - continued 30 JUNE 2008

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

The financial statements were approved by the Board of Directors on 26th March 2009 and were signed on its behalf by:


.....
M R Davies - Director


.....
W J B Davies - Director

The notes form part of these abbreviated accounts

W G DAVIES (LANDORE) LIMITED

CASH FLOW STATEMENT

FOR THE PERIOD 1 JANUARY 2007 TO 30 JUNE 2008

		Period 1.1.07 to 30.6.08		Year Ended 31.12.06	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		216,818		374,877
Returns on investments and servicing of finance	2		(148,370)		(44,249)
Taxation			(7,166)		9,913
Capital expenditure	2		(176,955)		(235,936)
			(115,673)		104,605
Financing	2		(238,923)		13,010
(Decrease)/Increase in cash in the period			(354,596)		117,615
Reconciliation of net cash flow to movement in net debt	3				
(Decrease)/Increase in cash in the period		(354,596)		117,615	
Cash outflow from decrease in debt and lease financing		217,708		33,721	
Change in net debt resulting from cash flows			(136,888)		151,336
Movement in net debt in the period			(136,888)		151,336
Net debt at 1 January			(640,337)		(791,673)
Net debt at 30 June			(777,225)		(640,337)

The notes form part of these abbreviated accounts

W G DAVIES (LANDORE) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE PERIOD 1 JANUARY 2007 TO 30 JUNE 2008

1. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Period 1.1.07 to 30.6.08 £	Year Ended 31.12.06 £
Operating (loss)/profit	(503,061)	64,600
Depreciation charges	234,287	111,642
Loss on disposal of fixed assets	1,763	5,627
Exceptional item	(369,039)	-
Government grants	(11,049)	(1,000)
Decrease/(Increase) in stocks	573,276	(246,388)
Decrease/(Increase) in debtors	335,804	(309,397)
(Decrease)/Increase in creditors	(45,163)	749,793
Net cash inflow from operating activities	216,818	374,877

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	Period 1.1.07 to 30.6.08 £	Year Ended 31.12.06 £
Returns on investments and servicing of finance		
Interest paid	(112,901)	(25,927)
Interest element of hire purchase payments	(35,262)	(17,590)
Finance costs	(207)	(732)
Net cash outflow for returns on investments and servicing of finance	(148,370)	(44,249)
Capital expenditure		
Purchase of tangible fixed assets	(334,048)	(245,100)
Sale of tangible fixed assets	157,093	9,164
Net cash outflow for capital expenditure	(176,955)	(235,936)
Financing		
Loan repayments in year	(210,274)	(90,000)
Capital repayments in year	(7,435)	56,279
Amount introduced by directors	-	46,731
Amount withdrawn by directors	(126,214)	-
Share issue	60,000	-
Premium on share issue	45,000	-
Net cash (outflow)/inflow from financing	(238,923)	13,010

The notes form part of these abbreviated accounts

W G DAVIES (LANDORE) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE PERIOD 1 JANUARY 2007 TO 30 JUNE 2008

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.07 £	Cash flow £	At 30.6.08 £
Net cash:			
Cash at bank and in hand	118,974	(118,607)	367
Bank overdraft	-	(235,989)	(235,989)
	<u>118,974</u>	<u>(354,596)</u>	<u>(235,622)</u>
Debt:			
Hire purchase	(244,256)	7,435	(236,821)
Debts falling due within one year	(187,856)	164,608	(23,248)
Debts falling due after one year	(327,199)	45,665	(281,534)
	<u>(759,311)</u>	<u>217,708</u>	<u>(541,603)</u>
Total	<u>(640,337)</u>	<u>(136,888)</u>	<u>(777,225)</u>

The notes form part of these abbreviated accounts

W G DAVIES (LANDORE) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD 1 JANUARY 2007 TO 30 JUNE 2008

1. ACCOUNTING POLICIES

Basis of preparing the financial statements - going concern

The financial statements have been prepared on a going concern basis. The company has an excess of current liabilities over current assets and is reliant on the support of its bankers and Her Majesty's Revenue and Customs. The support is dependent on achieving projections and repayments. The directors are confident that these are maintainable and realistic and have reorganised the company together with effecting cost saving measures which has resulted in the company subsequently returning to profitability.

Accounting convention

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

Exemption from preparing consolidated financial statements

The financial statements contain information about W G Davies (Landore) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 248 of the Companies Act 1985 from the requirements to prepare consolidated financial statements.

Changes in accounting policies

On 1st January 2008 the company changed its depreciation policy in respect of motor vehicles from 16% to 25% straight line on cost. This is on the basis that the company's vehicles have a useful economic life of 4 years. If this policy had been in place for the whole of this period and the previous period then depreciation charge would have been higher by £33,822 and £41,765 respectively.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Short leasehold	- 5% on cost
Plant and machinery	- 20% on cost
Fixtures and fittings	- 33% on cost and 10% on cost
Motor vehicles	- 25% on cost

Stocks

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

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

W G DAVIES (LANDORE) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE PERIOD 1 JANUARY 2007 TO 30 JUNE 2008

1. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

2. STAFF COSTS

	Period 1.1.07 to 30.6.08 £	Year Ended 31.12.06 £
Wages and salaries	2,973,261	1,869,155
Social security costs	291,377	182,484
Other pension costs	27,482	20,186
	<u>3,292,120</u>	<u>2,071,825</u>

The average monthly number of employees during the period was as follows:

	Period 1.1.07 to 30.6.08	Year Ended 31.12.06
Management and administration	13	13
Workshop & parts sales and distribution	75	75
	<u>88</u>	<u>88</u>

W G DAVIES (LANDORE) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE PERIOD 1 JANUARY 2007 TO 30 JUNE 2008

3. OPERATING (LOSS)/PROFIT

The operating loss (2006 - operating profit) is stated after charging:

	Period 1.1.07 to 30.6.08 £	Year Ended 31.12.06 £
Hire of plant and machinery	82,764	44,785
Other operating leases	290,233	156,548
Depreciation - owned assets	88,512	61,566
Depreciation - assets on hire purchase contracts	145,775	50,076
Loss on disposal of fixed assets	1,763	5,627
Auditors' remuneration	8,400	7,500
Auditors' remuneration for non audit work	7,193	6,119
	<u>272,061</u>	<u>142,308</u>
Directors' emoluments		

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

Information regarding the highest paid director for the period ended 30 June 2008 is as follows:

	Period 1.1.07 to 30.6.08 £
Emoluments etc	<u>94,988</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Period 1.1.07 to 30.6.08 £	Year Ended 31.12.06 £
Bank loan interest	56,833	25,927
Other loan interest	56,068	-
Hire purchase	35,262	17,590
Interest on overdue taxation	207	732
	<u>148,370</u>	<u>44,249</u>

W G DAVIES (LANDORE) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE PERIOD 1 JANUARY 2007 TO 30 JUNE 2008

5. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss on ordinary activities for the period was as follows:

	Period 1.1.07 to 30.6.08 £	Year Ended 31.12.06 £
Deferred tax	(15,915)	7,259
Tax on (loss)/profit on ordinary activities	<u>(15,915)</u>	<u>7,259</u>

Factors affecting the tax (credit)/charge

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 1.1.07 to 30.6.08 £	Year Ended 31.12.06 £
(Loss)/profit on ordinary activities before tax	<u>(1,020,470)</u>	<u>20,351</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2006 - 19%)	(214,299)	3,867
Effects of:		
Non deductible expenses	664	2,063
Depreciation add back	49,535	21,212
Capital allowances	(45,853)	(23,880)
Tax losses utilised	209,583	(4,094)
Chargeable disposals	370	1,069
Other tax adjustments	-	(237)
Current tax (credit)/charge	<u>-</u>	<u>-</u>

W G DAVIES (LANDORE) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE PERIOD 1 JANUARY 2007 TO 30 JUNE 2008

6. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 January 2007	241,888	262,983	153,463	535,823	1,194,157
Additions	11,303	64,254	51,401	207,090	334,048
Disposals	(46,405)	(3,800)	(5,600)	(246,312)	(302,117)
At 30 June 2008	206,786	323,437	199,264	496,601	1,226,088
DEPRECIATION					
At 1 January 2007	30,044	173,721	102,431	192,686	498,882
Charge for period	10,442	45,977	32,093	145,775	234,287
Eliminated on disposal	(6,206)	(3,673)	(1,354)	(132,028)	(143,261)
At 30 June 2008	34,280	216,025	133,170	206,433	589,908
NET BOOK VALUE					
At 30 June 2008	172,506	107,412	66,094	290,168	636,180
At 31 December 2006	211,844	89,262	51,032	343,137	695,275

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 January 2007	435,800
Additions	228,540
Disposals	(170,600)
At 30 June 2008	493,740
DEPRECIATION	
At 1 January 2007	106,129
Charge for period	145,775
Eliminated on disposal	(73,616)
At 30 June 2008	178,288
NET BOOK VALUE	
At 30 June 2008	315,452
At 31 December 2006	329,671

W G DAVIES (LANDORE) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE PERIOD 1 JANUARY 2007 TO 30 JUNE 2008

7. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2007 and 30 June 2008	100
PROVISIONS	
At 1 January 2007 and 30 June 2008	100
NET BOOK VALUE	
At 30 June 2008	-
At 31 December 2006	-

The company's investments at the balance sheet date in the share capital of companies include the following:

W G Davies (Commercials) Limited
Country of incorporation: England & Wales
Nature of business: Dormant

	% holding	2008 £	2006 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		100	100

8. STOCKS

	2008 £	2006 £
Stocks	175,954	753,632
Work-in-progress	26,686	22,284
	202,640	775,916

During the period the MAN parts stock was sold back to the manufacturer and the remaining book stock adjusted to reflect the remaining physical stock. The exceptional item on the face of the profit and loss account relating to stock losses incurred can be directly related to the stock valuations reported in previous periods.

W G DAVIES (LANDORE) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE PERIOD 1 JANUARY 2007 TO 30 JUNE 2008

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2006 £
Trade debtors	847,780	1,164,272
Bad debt provision	(10,975)	(43,827)
Other debtors	218,834	270,998
Directors' current accounts	53,703	-
Tax recoverable	7,166	-
	<u>1,116,508</u>	<u>1,391,443</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2006 £
Bank loans and overdrafts (see note 12)	259,237	7,856
Other loans (see note 12)	-	180,000
Hire purchase contracts (see note 13)	96,695	98,858
Trade creditors	662,319	905,526
Social security and other taxes	317,024	121,482
VAT	315,816	183,129
Invoice financing creditor	580,548	616,205
Directors' current accounts	-	72,511
Accrued expenses	99,379	193,908
	<u>2,331,018</u>	<u>2,379,475</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2008 £	2006 £
Bank loans (see note 12)	281,534	324,834
Other loans (see note 12)	-	2,365
Hire purchase contracts (see note 13)	140,126	145,398
	<u>421,660</u>	<u>472,597</u>

12. LOANS

An analysis of the maturity of loans is given below:

	2008 £	2006 £
Amounts falling due within one year or on demand:		
Bank overdrafts	235,989	-
Bank loans	23,248	7,856
Other loans	-	180,000
	<u>259,237</u>	<u>187,856</u>

W G DAVIES (LANDORE) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE PERIOD 1 JANUARY 2007 TO 30 JUNE 2008

12. LOANS - continued

	2008 £	2006 £
Amounts falling due between one and two years:		
Bank loans - 1-2 years	23,674	11,045
Other loans - 1-2 years	-	2,365
	<u>23,674</u>	<u>13,410</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>72,772</u>	<u>43,730</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>185,088</u>	<u>270,059</u>

The bank loans are repayable over 15 years from March 2007 at an interest rate of 2% over bank base rate.

13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	2008 £	Hire purchase contracts 2006 £
Gross obligations repayable:		
Within one year	112,562	116,183
Between one and five years	<u>160,773</u>	<u>160,899</u>
	<u>273,335</u>	<u>277,082</u>
Finance charges repayable:		
Within one year	15,867	17,325
Between one and five years	<u>20,647</u>	<u>15,501</u>
	<u>36,514</u>	<u>32,826</u>
Net obligations repayable:		
Within one year	96,695	98,858
Between one and five years	<u>140,126</u>	<u>145,398</u>
	<u>236,821</u>	<u>244,256</u>

W G DAVIES (LANDORE) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE PERIOD 1 JANUARY 2007 TO 30 JUNE 2008

13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Other operating leases	
	2008 £	2006 £	2008 £	2006 £
Expiring:				
Within one year	-	24,000	-	-
Between one and five years	-	-	2,278	1,470
In more than five years	156,885	156,885	-	808
	<u>156,885</u>	<u>180,885</u>	<u>2,278</u>	<u>2,278</u>

14. SECURED DEBTS

The following secured debts are included within creditors:

	2008 £	2006 £
Bank overdraft	235,989	-
Bank loans	304,782	332,690
Hire purchase contracts	236,821	244,256
Invoice finance creditor	580,548	616,205
	<u>1,358,140</u>	<u>1,193,151</u>

Bank loans and overdrafts are secured via a fixed and floating charge dated 15th March 2005 over the assets of the company together with a legal charge dated 7th June 2006 over land and buildings on the East Side of St Davids Road, Swansea Enterprise Park.

The invoice financing creditor relates to amounts owed to Barclays Bank Plc under a sales ledger financing agreement. These amounts are secured via a fixed and floating charge over the book debts of the company.

15. PROVISIONS FOR LIABILITIES

	2008 £	2006 £
Deferred tax	-	15,915
	<u>-</u>	<u>15,915</u>
		Deferred tax
		£
Balance at 1 January 2007		15,915
Transfer to profit & loss		(15,915)
		<u>-</u>
Balance at 30 June 2008		-

W G DAVIES (LANDORE) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE PERIOD 1 JANUARY 2007 TO 30 JUNE 2008

16. ACCRUALS AND DEFERRED INCOME

	2008 £	2006 £
Deferred government grants	-	11,049

17. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2008 £	2006 £
75,000	Ordinary	£1	75,000	15,000
(2006 - 15,000)				
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2008 £	2006 £
70,000	Ordinary	£1	70,000	10,000
(2006 - 10,000)				

60,000 Ordinary shares of £1 each were allotted as fully paid at a premium of 75p per share during the period.

18. RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 January 2007	92,572	-	92,572
Deficit for the period	(1,004,555)		(1,004,555)
Cash share issue	-	45,000	45,000
At 30 June 2008	(911,983)	45,000	(866,983)

19. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. Contributions payable by the company for the period were £53,554 (2006 £32,287).

Included in creditors : amounts due within one year are amounts owed in respect of pension contributions of £4,054 (2006 £3,771).

W G DAVIES (LANDORE) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE PERIOD 1 JANUARY 2007 TO 30 JUNE 2008

20. TRANSACTIONS WITH DIRECTORS

The following loans to directors subsisted during the period ended 30 June 2008 and the year ended 31 December 2006:

	2008 £	2006 £
W J B Davies and Mrs E Davies		
Balance outstanding at start of period	-	-
Balance outstanding at end of period	14,739	-
Maximum balance outstanding during period	<u>14,739</u>	<u>-</u>
M R Davies		
Balance outstanding at start of period	-	28,662
Balance outstanding at end of period	38,964	-
Maximum balance outstanding during period	<u>38,964</u>	<u>51,255</u>

Amounts due to the company from the directors have been repaid since the year end.

Mr M R Davies, a director of the company, has given a limited guarantee of £200,000 in relation to the bank borrowings and a personal guarantee of £320,000 to MAN, the company's main supplier.

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008 £	2006 £
(Loss)/Profit for the financial period	(1,004,555)	13,092
Shares issued	60,000	-
Premium on shares issued	45,000	-
Net (reduction)/addition to shareholders' funds	<u>(899,555)</u>	<u>13,092</u>
Opening shareholders' funds	102,572	89,480
Closing shareholders' funds	<u>(796,983)</u>	<u>102,572</u>