

**TAYLORS INDUSTRIAL SERVICES LIMITED**

**No. SC134666**

**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2007**

THURSDAY



\*SXKPF0BO\*

SCT

05/06/2008

613

COMPANIES HOUSE

# TAYLORS INDUSTRIAL SERVICES LIMITED

## CONTENTS

---

|                                     | <b>Page</b> |
|-------------------------------------|-------------|
| Directors' report                   | 1 2         |
| Auditor's report                    | 3           |
| Abbreviated profit and loss account | 4           |
| Abbreviated balance sheet           | 5           |
| Cash flow statement                 | 6           |
| Notes to the cash flow statement    | 7           |
| Notes to the abbreviated accounts   | 8 18        |

---

# **TAYLORS INDUSTRIAL SERVICES LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2007**

---

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

### **Principal activity**

The principal activity of the company continued to be the provision of industrial cleaning services to the waste disposal industry

### **Business review**

The company continues to operate from its base in Aberdeen from which it provides waste management services to a wide range of customers but with an emphasis towards the offshore oil industry

During the year the company continued the steady growth, which has been a feature in recent years. Turnover increased by 9% and this was reflected in a similar increase in gross profits. However, wages costs increased by 16% and this, combined with other overhead increases, resulted in a reduction in net profit of 7%.

The directors closely monitor the company's liquidity and this gave rise to a reduction in the average debtor days. Although the company held a bank overdraft at the year-end, the balance is well inside the borrowing limit thereby putting the company in a strong financial position in challenging economic times.

Continuous changes in UK and European waste disposal regulations including health and safety issues require the company to regularly review its procedures, ensure that all employees are fully trained and that all plant, machinery and equipment is maintained in first class working order. The company has always therefore been prepared to plough profits back into the business in order to ensure that it is able to comply with all regulations and to provide first class waste management services to all its customers.

During the year to 31 October 2007 the directors invested over £2.7m in new buildings, plant and equipment. The acquisitions included a new waste recycling facility, which opened for business in March 2008.

The continuing success of the offshore oil industry is both a benefit and a challenge to the company's operations. As a result the directors are constantly alert to new opportunities in order to diversify the business whilst still focusing on the traditional core activities.

### **Directors**

The following directors have held office since 1 November 2006

Adrian Taylor

Kevin Taylor

### **Auditors**

So far as each of the current directors is aware there is no relevant audit information of which the company's auditors are unaware and the directors confirm that they 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 the information.

Hall Morrice were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

# TAYLORS INDUSTRIAL SERVICES LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2007

---

### **Directors' responsibilities**

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 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,
- 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.

On behalf of the board



Adrian Taylor

**Director**

27 May 2008

# **TAYLORS INDUSTRIAL SERVICES LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO TAYLORS INDUSTRIAL SERVICES LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985**

---

We have examined the abbreviated accounts on pages 4 to 18, together with the financial statements of Taylors Industrial Services Limited for the year ended 31 October 2007 prepared under section 226 of the Companies Act 1985

### **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.



**Hall Morrice**  
Registered Auditors  
Aberdeen  
27 May 2008

# TAYLORS INDUSTRIAL SERVICES LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2007

|                                                      | Notes     | 2007<br>£         | 2006<br>£   |
|------------------------------------------------------|-----------|-------------------|-------------|
| <b>Gross profit</b>                                  |           | <b>11,973,719</b> | 11,120,412  |
| Administrative expenses                              |           | (6,390,099)       | (4,809,878) |
| <b>Operating profit</b>                              | <b>3</b>  | <b>5,583,620</b>  | 6,310,534   |
| Investment income                                    | <b>4</b>  | -                 | 20,450      |
| Other interest receivable and similar income         |           | 409,061           | 123,470     |
| Interest payable and similar charges                 | <b>5</b>  | (18,468)          | (12,204)    |
| <b>Profit on ordinary activities before taxation</b> |           | <b>5,974,213</b>  | 6,442,250   |
| Tax on profit on ordinary activities                 | <b>6</b>  | (1,848,442)       | (1,900,459) |
| <b>Profit for the financial year</b>                 | <b>15</b> | <b>4,125,771</b>  | 4,541,791   |

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

# TAYLORS INDUSTRIAL SERVICES LIMITED

## ABBREVIATED BALANCE SHEET AS AT 31 OCTOBER 2007

|                                                                | Notes | £                 | 2007<br>£         | £                 | 2006<br>£         |
|----------------------------------------------------------------|-------|-------------------|-------------------|-------------------|-------------------|
| <b>Fixed assets</b>                                            |       |                   |                   |                   |                   |
| Tangible assets                                                | 7     |                   | 9,173,929         |                   | 7,364,786         |
| Investments                                                    | 8     |                   | 5,165,352         |                   | 5,165,351         |
|                                                                |       |                   | <u>14,339,281</u> |                   | <u>12,530,137</u> |
| <b>Current assets</b>                                          |       |                   |                   |                   |                   |
| Debtors                                                        | 9     | 16,463,522        |                   | 12,050,717        |                   |
| Cash at bank and in hand                                       |       | 822               |                   | 2,936             |                   |
|                                                                |       | <u>16,464,344</u> |                   | <u>12,053,653</u> |                   |
| <b>Creditors. amounts falling due within one year</b>          | 10    | (6,337,336)       |                   | (4,323,402)       |                   |
| <b>Net current assets</b>                                      |       |                   | <u>10,127,008</u> |                   | <u>7,730,251</u>  |
| <b>Total assets less current liabilities</b>                   |       |                   | <u>24,466,289</u> |                   | <u>20,260,388</u> |
| <b>Creditors. amounts falling due after more than one year</b> | 11    |                   | -                 |                   | (12,161)          |
| <b>Provisions for liabilities and charges</b>                  | 12    |                   | (517,153)         |                   | (424,862)         |
| <b>Net assets</b>                                              |       |                   | <u>23,949,136</u> |                   | <u>19,823,365</u> |
| <b>Capital and reserves</b>                                    |       |                   |                   |                   |                   |
| Called up share capital                                        | 14    |                   | 100               |                   | 100               |
| Revaluation reserve                                            | 15    |                   | 200,000           |                   | 691,412           |
| Profit and loss account                                        | 15    |                   | 23,749,036        |                   | 19,131,853        |
| <b>Equity shareholders' funds</b>                              | 16    |                   | <u>23,949,136</u> |                   | <u>19,823,365</u> |

These 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 authorised for issue and approved by the directors on 27 May 2008

Adrian Taylor  
Director



Kevin Taylor  
Director



# TAYLORS INDUSTRIAL SERVICES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2007

|                                                                             | £           | 2007<br>£          | £           | 2006<br>£          |
|-----------------------------------------------------------------------------|-------------|--------------------|-------------|--------------------|
| <b>Net cash inflow from operating activities</b>                            |             | <b>7,889,228</b>   |             | <b>6,227,010</b>   |
| <b>Returns on investments and servicing of finance</b>                      |             |                    |             |                    |
| Interest received                                                           | 409,061     |                    | 72,089      |                    |
| Interest paid                                                               | (11,837)    |                    | (6,847)     |                    |
| Interest element of hire purchase finance                                   | (6,631)     |                    | (5,357)     |                    |
| Dividends received                                                          | -           |                    | 20,450      |                    |
|                                                                             |             |                    |             |                    |
| <b>Net cash inflow for returns on investments and servicing of finance</b>  |             | <b>390,593</b>     |             | <b>80,335</b>      |
| <b>Taxation</b>                                                             |             | <b>(1,860,782)</b> |             | <b>(1,245,969)</b> |
| <b>Capital expenditure and financial investment</b>                         |             |                    |             |                    |
| Payments to acquire tangible assets                                         | (2,719,552) |                    | (548,412)   |                    |
| Redemption of preference shares                                             |             |                    | 409,000     |                    |
| Receipts from sales of tangible assets                                      | 38,794      |                    | 387,541     |                    |
| Advance of intercompany loans                                               | (4,428,965) |                    | (7,832,425) |                    |
|                                                                             |             |                    |             |                    |
| <b>Net cash outflow for capital expenditure</b>                             |             | <b>(7,109,723)</b> |             | <b>(7,584,296)</b> |
| <b>Acquisitions and disposals</b>                                           |             |                    |             |                    |
| Purchase of subsidiary undertaking                                          | (1)         |                    |             |                    |
|                                                                             |             |                    |             |                    |
| <b>Net cash outflow for acquisitions and disposals</b>                      |             | <b>(1)</b>         |             |                    |
| <b>Net cash outflow before management of liquid resources and financing</b> |             | <b>(690,685)</b>   |             | <b>(2,522,920)</b> |
| <b>Financing</b>                                                            |             |                    |             |                    |
| Loans received                                                              | 499,600     |                    | 1,570,950   |                    |
| Capital element of hire purchase contracts                                  | (31,481)    |                    | (19,319)    |                    |
|                                                                             |             |                    |             |                    |
| <b>Net cash inflow from financing</b>                                       |             | <b>468,119</b>     |             | <b>1,551,631</b>   |
| <b>Decrease in cash in the year</b>                                         |             | <b>(222,566)</b>   |             | <b>(971,289)</b>   |

# TAYLORS INDUSTRIAL SERVICES LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2007

| 1 | Reconciliation of operating profit to net cash inflow from operating activities | 2007             | 2006             |
|---|---------------------------------------------------------------------------------|------------------|------------------|
|   |                                                                                 | £                | £                |
|   | Operating profit                                                                | 5,583,620        | 6,310,534        |
|   | Depreciation of tangible assets                                                 | 861,096          | 564,952          |
|   | (Gain)/loss on disposal of tangible assets                                      | 10,519           | (32,102)         |
|   | Decrease/(increase) in debtors                                                  | 16,160           | (688,367)        |
|   | Increase in creditors within one year                                           | 1,417,833        | 71,993           |
|   | <b>Net cash inflow from operating activities</b>                                | <b>7,889,228</b> | <b>6,227,010</b> |

  

| 2 | Analysis of net debt     | 1 November 2006  | Cash flow        | Other non cash changes | 31 October 2007  |
|---|--------------------------|------------------|------------------|------------------------|------------------|
|   |                          | £                | £                | £                      | £                |
|   | Net cash                 |                  |                  |                        |                  |
|   | Cash at bank and in hand | 2,936            | (2,114)          |                        | 822              |
|   | Bank overdrafts          | (408,638)        | (220,452)        |                        | (629,090)        |
|   |                          | <u>(405,702)</u> | <u>(222,566)</u> |                        | <u>(628,268)</u> |
|   | Debt                     |                  |                  |                        |                  |
|   | Finance leases           | (31,481)         | 31,481           |                        |                  |
|   | <b>Net debt</b>          | <b>(437,183)</b> | <b>(191,085)</b> |                        | <b>(628,268)</b> |

  

| 3 | Reconciliation of net cash flow to movement in net debt | 2007             | 2006             |
|---|---------------------------------------------------------|------------------|------------------|
|   |                                                         | £                | £                |
|   | Decrease in cash in the year                            | (222,566)        | (971,289)        |
|   | Cash outflow from decrease in debt and lease financing  | 31,481           | 19,319           |
|   | <b>Movement in net debt in the year</b>                 | <b>(191,085)</b> | <b>(951,970)</b> |
|   | Opening net (debt)/funds                                | (437,183)        | 514,787          |
|   | <b>Closing net debt</b>                                 | <b>(628,268)</b> | <b>(437,183)</b> |

# TAYLORS INDUSTRIAL SERVICES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2007

---

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of investment properties

#### 1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT

#### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows

|                                |                         |
|--------------------------------|-------------------------|
| Freehold land and buildings    | 2% Straight line        |
| Plant and machinery            | 15 25% Reducing balance |
| Fixtures, fittings & equipment | 15 25% Reducing balance |
| Motor vehicles                 | 15 25% Reducing balance |

#### 1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over their useful lives. 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 charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

#### 1.7 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted. Deferred tax assets are recognised only when recovery is likely.

#### 1.8 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a medium sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

# TAYLORS INDUSTRIAL SERVICES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2007

### 1 Accounting policies (continued)

#### 1.9 Investment properties

Investment properties are included at their estimated open market value assuming vacant possession as at the balance sheet date

In accordance with SSAP19

(i) investment property is revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve, and

(ii) no depreciation or amortisation is provided in respect of investment property

In accordance with SSAP 19, no depreciation is provided in respect of investment properties. This is a departure from the Companies Act 1985, which requires all properties to be depreciated. Such properties are not held for consumption, but for investment, and the directors consider that to depreciate them would not give a true and fair view. Depreciation is only one amongst many factors reflected in the annual valuation of properties and accordingly the amount of depreciation, which might otherwise have been charged, cannot be separately identified or quantified. The directors consider that this policy results in the accounts giving a true and fair view.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

| 3 | Operating profit                                         | 2007<br>£ | 2006<br>£ |
|---|----------------------------------------------------------|-----------|-----------|
|   | Operating profit is stated after charging                |           |           |
|   | Depreciation                                             |           |           |
|   | Owned fixed assets                                       | 861,096   | 555,385   |
|   | Fixed assets held under hire purchase/ leasing contracts |           | 9,566     |
|   | Loss on disposal of tangible assets                      | 10,519    |           |
|   | Operating lease rentals                                  |           |           |
|   | Plant and machinery                                      | 61,429    | 89,801    |
|   | Auditors' remuneration                                   | 7,500     | 7,025     |
|   | and after crediting                                      |           |           |
|   | Profit on disposal of tangible assets                    |           | (32,102)  |
|   |                                                          | <hr/>     | <hr/>     |
| 4 | Investment income                                        | 2007<br>£ | 2006<br>£ |
|   | Income from fixed asset investments                      |           | 20,450    |
|   |                                                          | <hr/>     | <hr/>     |

# TAYLORS INDUSTRIAL SERVICES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2007

| <b>5</b> | <b>Interest payable</b>                                                                                                 | <b>2007</b>      | <b>2006</b>      |
|----------|-------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
|          |                                                                                                                         | <b>£</b>         | <b>£</b>         |
|          | On bank loans and overdrafts                                                                                            | 10,089           | 5,881            |
|          | Hire purchase interest                                                                                                  | 6,631            | 5,357            |
|          | Other interest                                                                                                          | 1,748            | 966              |
|          |                                                                                                                         | <u>18,468</u>    | <u>12,204</u>    |
| <b>6</b> | <b>Taxation</b>                                                                                                         | <b>2007</b>      | <b>2006</b>      |
|          |                                                                                                                         | <b>£</b>         | <b>£</b>         |
|          | <b>Domestic current year tax</b>                                                                                        |                  |                  |
|          | U K corporation tax                                                                                                     | 1,746,928        | 1,912,230        |
|          | Adjustment for prior years                                                                                              | 9,223            | (15,347)         |
|          | <b>Current tax charge</b>                                                                                               | <u>1,756,151</u> | <u>1,896,883</u> |
|          | <b>Deferred tax</b>                                                                                                     |                  |                  |
|          | Deferred tax charge current year                                                                                        | 94,314           | 14,450           |
|          | Deferred tax adjust re previous year                                                                                    | (2,023)          | (10,874)         |
|          |                                                                                                                         | <u>92,291</u>    | <u>3,576</u>     |
|          |                                                                                                                         | <u>1,848,442</u> | <u>1,900,459</u> |
|          | <b>Factors affecting the tax charge for the year</b>                                                                    |                  |                  |
|          | Profit on ordinary activities before taxation                                                                           | <u>5,974,213</u> | <u>6,442,250</u> |
|          | Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30 00% (2006 30 00%) | <u>1,792,264</u> | <u>1,932,675</u> |
|          | Effects of                                                                                                              |                  |                  |
|          | Non deductible expenses                                                                                                 | 17,398           | 31,383           |
|          | Capital allowances in excess of depreciation                                                                            | (62,734)         | (31,378)         |
|          | Dividend Income                                                                                                         |                  | (20,450)         |
|          | Adjustments to previous periods                                                                                         | 9,223            | (15,347)         |
|          |                                                                                                                         | <u>(36,113)</u>  | <u>(35,792)</u>  |
|          | <b>Current tax charge</b>                                                                                               | <u>1,756,151</u> | <u>1,896,883</u> |

# TAYLORS INDUSTRIAL SERVICES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2007

### 7 Tangible fixed assets

|                          | Freehold<br>land and<br>buildings<br>£ | Investment<br>properties<br>£ | Plant and<br>machinery<br>£ | Fixtures,<br>fittings &<br>equipment<br>£ | Motor<br>vehicles<br>£ | Total<br>£ |
|--------------------------|----------------------------------------|-------------------------------|-----------------------------|-------------------------------------------|------------------------|------------|
| <b>Cost or valuation</b> |                                        |                               |                             |                                           |                        |            |
| At 1 November 2006       | 2,078,283                              | 2,798,207                     | 3,199,929                   | 223,889                                   | 4,013,818              | 12,314,126 |
| Additions                | 1,394,148                              |                               | 752,016                     | 4,958                                     | 568,430                | 2,719,552  |
| Disposals                |                                        |                               |                             | (3,078)                                   | (151,878)              | (154,956)  |
| At 31 October 2007       | 3,472,431                              | 2,798,207                     | 3,951,945                   | 225,769                                   | 4,430,370              | 14,878,722 |
| <b>Depreciation</b>      |                                        |                               |                             |                                           |                        |            |
| At 1 November 2006       | 407,967                                |                               | 2,033,028                   | 120,698                                   | 2,387,647              | 4,949,340  |
| Charge for the year      | 23,130                                 |                               | 438,795                     | 20,432                                    | 378,739                | 861,096    |
| On disposals             |                                        |                               |                             | (196)                                     | (105,447)              | (105,643)  |
| At 31 October 2007       | 431,097                                |                               | 2,471,823                   | 140,934                                   | 2,660,939              | 5,704,793  |
| <b>Net book value</b>    |                                        |                               |                             |                                           |                        |            |
| At 31 October 2007       | 3,041,334                              | 2,798,207                     | 1,480,122                   | 84,835                                    | 1,769,431              | 9,173,929  |
| At 31 October 2006       | 1,670,316                              | 2,798,207                     | 1,166,901                   | 103,191                                   | 1,626,171              | 7,364,786  |

The investment properties were revalued by the directors during the year to 31 October 2002 at £2,798,207. The directors consider this to represent the open market value.

### Comparable historical cost for the investment properties included at valuation:

|                                         | £         |
|-----------------------------------------|-----------|
| <b>Cost</b>                             |           |
| At 1 November 2006 & at 31 October 2007 | 2,598,207 |
| <b>Depreciation based on cost</b>       |           |
| At 1 November 2006                      |           |
| Charge for the year                     |           |
| At 31 October 2007                      |           |
| <b>Net book value</b>                   |           |
| At 31 October 2007                      | 2,598,207 |
| At 31 October 2006                      | 2,598,207 |

# TAYLORS INDUSTRIAL SERVICES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2007

---

### 7 Tangible fixed assets (continued)

Included above are assets held under finance leases or hire purchase contracts as follows

|                                         | Motor<br>vehicles<br>£ |
|-----------------------------------------|------------------------|
| <b>Net book values</b>                  |                        |
| At 31 October 2007                      |                        |
| At 31 October 2006                      | <u>41,933</u>          |
| <b>Depreciation charge for the year</b> |                        |
| 31 October 2007                         |                        |
| 31 October 2006                         | <u>9,566</u>           |

# TAYLORS INDUSTRIAL SERVICES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2007

### 8 Fixed asset investments

|                          | Unlisted<br>investments<br>£ | Shares in<br>group<br>undertakings<br>£ | Total<br>£       |
|--------------------------|------------------------------|-----------------------------------------|------------------|
| <b>Cost or valuation</b> |                              |                                         |                  |
| At 1 November 2006       | 95,889                       | 5,069,462                               | 5,165,351        |
| Additions                |                              | 1                                       | 1                |
| At 31 October 2007       | <u>95,889</u>                | <u>5,069,463</u>                        | <u>5,165,352</u> |

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

| Company                        | Country of registration or<br>incorporation | Shares held<br>Class | %   |
|--------------------------------|---------------------------------------------|----------------------|-----|
| <b>Subsidiary undertakings</b> |                                             |                      |     |
| Mountwest 229 Limited          | Scotland                                    | Ordinary             | 100 |
| Keelkist Limited               | Scotland                                    | Ordinary             | 100 |
| Cairnton Estate Limited        | Scotland                                    | Ordinary             | 100 |

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

|                         | Capital and<br>reserves<br>2007<br>£ | Profit for the<br>year<br>2007<br>£ |
|-------------------------|--------------------------------------|-------------------------------------|
| Mountwest 229 Limited   | 1,781,533                            | 1,966                               |
| Keelkist Limited        | (44,852)                             | 3,153                               |
| Cairnton Estate Limited | <u>(10,233)</u>                      | <u>(10,234)</u>                     |

The principal activity of Mountwest 229 Limited is that of a holding company

The principal activity of Keelkist Limited is that of a restaurant and tearoom

The principal activity of Cairnton Estate Limited is the ownership of a country estate

# TAYLORS INDUSTRIAL SERVICES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2007

| 9 Debtors                          | 2007<br>£         | 2006<br>£         |
|------------------------------------|-------------------|-------------------|
| Trade debtors                      | 3,784,306         | 3,771,834         |
| Amounts owed by group undertakings | 3,833,134         | 3,865,846         |
| Other debtors                      | 8,673,343         | 4,252,676         |
| Prepayments and accrued income     | 172,739           | 160,361           |
|                                    | <u>16,463,522</u> | <u>12,050,717</u> |

Amounts falling due after more than one year and included in the debtors above are

|                                    | 2007<br>£         | 2006<br>£        |
|------------------------------------|-------------------|------------------|
| Amounts owed by group undertakings | 3,403,052         | 3,383,052        |
| Other debtors                      | 8,653,283         | 4,236,753        |
|                                    | <u>12,056,335</u> | <u>7,619,805</u> |

| 10 Creditors' amounts falling due within one year | 2007<br>£        | 2006<br>£        |
|---------------------------------------------------|------------------|------------------|
| Bank loans and overdrafts                         | 629,090          | 408,638          |
| Net obligations under hire purchase contracts     |                  | 19,320           |
| Trade creditors                                   | 972,553          | 438,352          |
| Amounts owed to group undertakings                | 2,334,427        | 1,805,007        |
| Corporation tax                                   | 888,849          | 993,480          |
| Other taxes and social security costs             | 265,225          | 533,434          |
| Directors' current accounts                       | 3,832            | 3,832            |
| Other creditors                                   | 1,129,411        | 3,794            |
| Accruals and deferred income                      | 113,949          | 117,545          |
|                                                   | <u>6,337,336</u> | <u>4,323,402</u> |

The bank hold a bond and floating charge over the assets of the company and a standard security over the land and buildings at Hareness Circle, Altens

# TAYLORS INDUSTRIAL SERVICES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2007

| 11 Creditors' amounts falling due after more than one year          | 2007<br>£ | 2006<br>£ |
|---------------------------------------------------------------------|-----------|-----------|
| Net obligations under hire purchase contracts                       |           | 12,161    |
| <b>Net obligations under hire purchase contracts</b>                |           |           |
| Repayable within one year                                           |           | 24,677    |
| Repayable between one and five years                                |           | 15,593    |
|                                                                     |           | 40,270    |
| Finance charges and interest allocated to future accounting periods |           | (8,789)   |
|                                                                     |           | 31,481    |
| Included in liabilities falling due within one year                 |           | (19,320)  |
|                                                                     |           | 12,161    |

## 12 Provisions for liabilities and charges

|                            | Deferred tax<br>liability<br>£ |
|----------------------------|--------------------------------|
| Balance at 1 November 2006 | 424,862                        |
| Profit and loss account    | 92,291                         |
| Balance at 31 October 2007 | 517,153                        |

The deferred tax liability is made up as follows.

|                                | 2007<br>£ | 2006<br>£ |
|--------------------------------|-----------|-----------|
| Accelerated capital allowances | 517,153   | 424,862   |

## 13 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £352,567 (2006 £44,677).

# TAYLORS INDUSTRIAL SERVICES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2007

| 14 Share capital                                                            | 2007<br>£                           | 2006<br>£                                   |
|-----------------------------------------------------------------------------|-------------------------------------|---------------------------------------------|
| <b>Authorised</b><br>1,000,000 Ordinary shares of £1 each                   | <u>1,000,000</u>                    | <u>1,000,000</u>                            |
| <b>Allotted, called up and fully paid</b><br>100 Ordinary shares of £1 each | <u>100</u>                          | <u>100</u>                                  |
| 15 Statement of movements on reserves                                       | <b>Revaluation<br/>reserve</b><br>£ | <b>Profit and<br/>loss<br/>account</b><br>£ |
| Balance at 1 November 2006                                                  | 691,412                             | 19,131,853                                  |
| Profit for the financial year                                               | 4,125,771                           |                                             |
| Transfer from revaluation reserve to profit and loss account                | <u>(491,412)</u>                    | <u>491,412</u>                              |
| Balance at 31 October 2007                                                  | <u>200,000</u>                      | <u>23,749,036</u>                           |
| 16 Reconciliation of movements in shareholders' funds                       | 2007<br>£                           | 2006<br>£                                   |
| Profit for the financial year                                               | 4,125,771                           | 4,541,791                                   |
| Opening shareholders' funds                                                 | <u>19,823,365</u>                   | <u>15,281,574</u>                           |
| Closing shareholders' funds                                                 | <u>23,949,136</u>                   | <u>19,823,365</u>                           |

# TAYLORS INDUSTRIAL SERVICES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2007

| 17 Directors' emoluments                                | 2007<br>£        | 2006<br>£        |
|---------------------------------------------------------|------------------|------------------|
| Emoluments for qualifying services                      | 1,744,067        | 1,013,930        |
| Company pension contributions to money purchase schemes | 302,520          | 44,760           |
|                                                         | <u>2,046,587</u> | <u>1,058,690</u> |

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2006 1)

Emoluments disclosed above include the following amounts paid to the highest paid director

|                                                         |                  |                |
|---------------------------------------------------------|------------------|----------------|
| Emoluments for qualifying services                      | 1,300,000        | 713,930        |
| Company pension contributions to money purchase schemes | 202,520          |                |
|                                                         | <u>1,502,520</u> | <u>713,930</u> |

### 18 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was

|                   | 2007<br>Number | 2006<br>Number |
|-------------------|----------------|----------------|
| Sales             | 1              | 1              |
| Administration    | 16             | 14             |
| Drivers/Labourers | 47             | 40             |
| Operations        | 26             | 22             |
|                   | <u>90</u>      | <u>77</u>      |

#### Employment costs

|                       | £                | £                |
|-----------------------|------------------|------------------|
| Wages and salaries    | 4,538,977        | 3,455,126        |
| Social security costs | 524,281          | 427,153          |
| Other pension costs   | 352,567          | 44,677           |
|                       | <u>5,415,825</u> | <u>3,926,956</u> |

# **TAYLORS INDUSTRIAL SERVICES LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2007**

---

### **19 Related party transactions**

As at 31 October 2007 and 31 October 2006 the company was due the directors Adrian and Kevin Taylor £3,760 and £72 respectively

During the year the company traded with Easter Hatton Environmental (Waste Away) Limited, a wholly owned subsidiary of Mountwest 229 Limited, which is a wholly owned subsidiary of Taylors Industrial Services Limited. Sales of £57,645 (2006 £151,692) were made in the year and purchases of £2,120,465 (2006 £2,193,019) were made. As at 31 October 2007 Easter Hatton Environmental (Waste Away) Limited were due £2,334,428 (2006 £1,758,777) from the company.

As at 31 October 2007 Keelkist Limited, a subsidiary of Taylors Industrial Services Limited, owed £429,734 (2006 £444,329). Rent of £1 (2006 £1) was received from Keelkist Limited during the year.

As at 31 October 2007 Cairnton Estate Limited, a subsidiary of Taylors Industrial Services Limited owed £3,403,400 (2006 £3,383,052).

As at 31 October 2007 Mountwest 229 Limited, a subsidiary of Taylors Industrial Services Limited was owed £nil (2006 £400).

As at 31 October 2007 Deedream Limited, a company owned by the directors Adrian and Kevin Taylor, owed the company £8,653,283 (2006 £4,236,753). Interest of £403,344 (2006 £51,381) was charged during the year.

### **20 Control**

The company was controlled throughout the current and previous year by the directors Adrian Taylor and Kevin Taylor by virtue of the fact they own all of the issued share capital of the company.