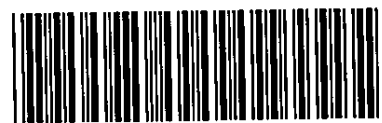


Taylor & Fraser Limited
SC 155 035
Report and Financial Statements

30 June 2012

FRIDAY



S23999AX

SCT

01/03/2013

#492

COMPANIES HOUSE

Taylor & Fraser Limited

Registered No: SC 155035

Directors

R E Vernon

J H Hamilton

G S Fingland

Secretary

Mrs E M Kennedy

Auditors

Ernst & Young LLP

G1

5 George Square

Glasgow G2 1DY

Bankers

Lloyds TSB Scotland plc

1st Floor

180 West George Street

Glasgow G2 2NR

Solicitors

McDonalds

Solicitors

1 Claremont Terrace

Glasgow G3 7UQ

Registered office

117 Abercorn Street

Paisley PA3 4DH

Registered No. SC 155035

Directors' report

The directors present their report and financial statements for the year ended 30 June 2012.

Results and dividends

The profit for the year, after taxation, amounted to £497,069 (2011 – £612,524).

Principal activity and review of the business

The Company's primary activity is the supply and installation of heating and ventilation systems to the industrial and commercial sectors. The move to green energy has resulted in the Company embracing such technologies as Biomass and Ground Heat Pump systems. Also in more recent times the company's product offering has been further augmented by the creation of a Build Division, which involves acting as a Principal Contractor mainly on refurbishment projects.

As a consequence of the on-going downturn in the Construction Industry, market conditions continue to be difficult. Despite this the Company has delivered a satisfactory trading performance both in respect of turnover and profitability, albeit at a lower activity level than in previous years.

The Directors believe the current conditions will continue for at least a further year and, with this in mind, will maintain a continuous review to ensure that resources and work load are kept in balance. The Company's financial position remains strong with no requirement for external funding, which ensures that it can progress despite these very difficult times.

Financial risk management objectives and policies

Although the company's policy does permit trading in certain financial instruments its principal financial instruments comprise cash and short term deposits, the main purpose of which is the funding of its day-to-day trading operations.

The company has various other financial instruments such as trade debtors and creditors that arise from its trading operations.

The company aims to mitigate credit risk by continuing to be selective regarding which clients it trades with and to what level and extent credit terms are made available. Regular credit checks on its clients are carried out.

The company has always enjoyed a strong cash situation generated from prudent trading over a number of years. Investment and expansion is carefully controlled with authorisation being controlled at board level.

Directors

The directors at 30 June 2012 of the company were as follows:

R E Vernon
J H Hamilton
G S Fingland

Registered No. SC 155035

Directors' report

Going concern

In line with the FRC guidance on Going Concern issued in November 2009, the directors have undertaken an exercise to review the appropriateness of the continued use of the Going Concern basis.

The company's business activities, a review of the business and a description of the principal risks and uncertainties, together with the company's financial risk management processes and narrative regarding its exposure to key financial risks are outlined above.

The company has considerable financial resources and as a consequence the directors believe that it is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making suitable enquiries, the directors have a reasonable expectation that the company has adequate resources to meet its liabilities as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

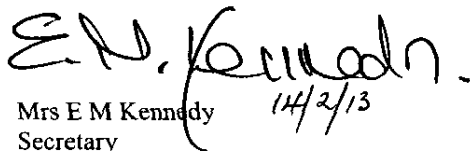
Directors' statement as to disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the Board


Mrs E M Kennedy 14/2/13
Secretary

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Independent auditors' report

to the members of Taylor & Fraser Limited

We have audited the financial statements of Taylor & Fraser Limited for the year ended 30 June 2012 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditors' report

to the members of Taylor & Fraser Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

Walter Campbell (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Glasgow

14/2/13

Profit and loss account

for the year ended 30 June 2012

	Notes	2012 £	2011 £
Turnover	2	17,885,941	20,387,599
Cost of sales		15,582,925	18,028,518
Gross Profit		2,303,016	2,359,081
Administrative expenses		1,713,454	1,565,123
Operating Profit	3	589,562	793,958
Loss on disposal of tangible fixed assets		21,726	1,715
		567,836	792,243
Interest receivable and similar income	6	62,807	40,281
Profit on ordinary activities before taxation		630,643	832,524
Tax on ordinary activities	7	133,574	220,000
Profit on ordinary activities after taxation	15	497,069	612,524

All amounts relate to continuing operations.

Statement of total recognised gains and losses

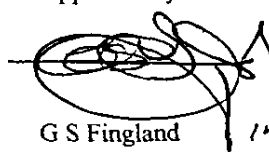
There were no recognised gains or losses other than the profit attributable to shareholders of the company of £497,069 in the year ended 30 June 2012 and of £612,524 in the year ended 30 June 2011.

Balance sheet

at 30 June 2012

	Notes	2012 £	2011 £
Fixed assets			
Tangible assets	9	199,721	189,051
Current assets			
Stocks	10	81,202	47,704
Debtors	11	7,783,805	4,205,668
Cash at bank and in hand		3,993,186	5,206,826
		11,858,193	9,460,198
Creditors: amounts falling due within one year	13	8,205,369	6,293,773
Net current assets		3,652,824	3,166,425
Total assets less current liabilities		3,852,545	3,355,476
Capital and reserves			
Called up equity share capital	14	100,000	100,000
Profit and loss account	15	3,752,545	3,255,476
Equity shareholders' funds	15	3,852,545	3,355,476

Approved by the Board


 G S Fingland
 Director

14/2/13

Notes to the financial statements

at 30 June 2012

1. Accounting policies

Basis of preparation

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

Fixed assets

All fixed assets are recorded at cost.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life as follows:

Plant and machinery	–	25% straight line
Fixtures and fittings	–	25% straight line
Commercial motor vehicles	–	33 $\frac{1}{3}$ % straight line
Other motor vehicles	–	25% reducing balance

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be reasonable.

Stocks

Stocks have been valued at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Work in progress

The basis of valuation is direct cost uplifted for attributable overheads and, where appropriate, attributable profits. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Attributable profits are recognised where the directors consider that the outcome of a contract can be prudently ascertained and is calculated on a percentage of the excess of payments to account over cost to date and is dependent on the stage the contract has reached.

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, with the following exception:

- 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.

Notes to the financial statements

at 30 June 2012

1. Accounting policies (continued)

Pensions

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

Cash flow statement

The company is exempt from the requirements of Financial Reporting Standard 1 (Revised) to include a cash flow statement as part of its financial statements, as it is a wholly-owned subsidiary undertaking of Barnaigh Group Limited, which will produce a consolidated cash flow statement. The financial statements of this company are publicly available.

2. Turnover

Turnover, which is stated net of value added tax, represents the value of goods and services supplied to customers during the year. All the turnover is attributable to the principal activity of supplying and installing heating and ventilation systems and was earned in the United Kingdom.

3. Operating profit

This is stated after charging:

	2012 £	2011 £
Auditors' remuneration	17,000	17,000
Depreciation on owned fixed assets	75,986	99,696
	<u> </u>	<u> </u>

4. Directors' remuneration

	2012 £	2011 £
Remuneration	168,573	254,968
	<u> </u>	<u> </u>
Company contributions paid to defined contribution pension scheme	-	-
	<u> </u>	<u> </u>

Notes to the financial statements

at 30 June 2012

5. Staff costs

	2012 £	2011 £
Wages and salaries	1,809,112	2,133,757
Social security costs	200,958	187,305
Other pension costs	32,645	34,366
	<u>2,042,715</u>	<u>2,355,428</u>

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

	No.	No.
Directors	3	3
Management and administration	20	17
Production	36	34
	<u>59</u>	<u>54</u>

6. Interest receivable and similar income

	2012 £	2011 £
Deposit interest	<u>62,807</u>	<u>40,281</u>

7. Tax

(a) Tax on profit on ordinary activities:

	2012 £	2011 £
<i>UK corporation tax:</i>		
Corporation tax on profit of the period	106,228	225,814
Adjustment in respect of previous years	14,062	3,728
	<u>120,290</u>	<u>229,542</u>
Deferred tax	13,284	(9,542)
	<u>133,574</u>	<u>220,000</u>

Notes to the financial statements

at 30 June 2012

7. Tax (continued)

(b) Factors affecting current tax charges:

The tax assessed on the profit on ordinary activities for the year is profit than the standard rate of corporation tax in the UK. The differences are reconciled below:

	2012 £	2011 £
Profit on ordinary activities	630,643	832,524
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25.5% (2011 – 27.5%)	160,814	228,944
<i>Effects of:</i>		
Disallowable expenses and non-taxable income	1,275	1,375
Fixed asset timing differences	(55,861)	(4,505)
Adjustments in respect of previous periods	14,062	3,728
	120,290	229,542

(c) Deferred tax asset at 24% (2011 – 26%):

	£
At 1 July 2011	15,130
Deferred tax charge in the year	13,284
At 30 June 2012	1,846
<i>The deferred tax consists of:</i>	
Accelerated capital allowances	1,846

8. Dividends

	2012 £	2011 £
Declared and paid in year	-	1,120,000

Notes to the financial statements

at 30 June 2012

9. Tangible fixed assets

	<i>Plant and machinery</i> £	<i>Fixtures & fittings</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
<i>Cost:</i>				
At 1 July 2011	105,691	223,129	483,570	812,390
Additions	-	55,203	71,138	126,341
Disposals	-	-	(118,235)	(118,235)
At 30 June 2012	105,691	278,332	436,473	820,496
<i>Depreciation:</i>				
At 1 July 2011	104,279	181,287	337,773	623,339
Charge for year	523	27,207	48,256	75,986
Disposals	-	-	(78,550)	(78,550)
At 30 June 2012	104,802	208,494	307,479	620,775
<i>Net book value:</i>				
At 30 June 2012	889	69,838	128,994	199,721
At 1 July 2011	1,412	41,842	145,797	189,051

10. Stocks

	<i>2012</i> £	<i>2011</i> £
Materials for use on contracts	31,237	35,862
Consumables	49,965	11,842
	81,202	47,704

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Notes to the financial statements

at 30 June 2012

11. Debtors

	<i>Note</i>	<i>2012</i> £	<i>2011</i> £
Trade debtors		2,255,816	2,339,143
Amounts due from group companies		45,084	45,026
Other debtors		144,477	334,476
Prepayments		70,838	61,559
Corporation tax recoverable		216,165	-
Deferred tax	7(c)	1,846	15,130
Amounts recoverable on long term contracts	12	5,049,579	1,410,334
		<u>7,783,805</u>	<u>4,205,668</u>

Included in trade debtors is an amount of £229,271 (2011 – £390,540) which is due after more than one year.

12. Long term contracts

	<i>Note</i>	<i>2012</i> £	<i>2011</i> £
Cost plus attributable profit less provisions for losses		25,487,876	26,801,777
Less payments received on account		(20,438,297)	(25,391,443)
Amounts recoverable on contracts	11	<u>5,049,579</u>	<u>1,410,334</u>

13. Creditors: amounts falling due within one year

	<i>2012</i> £	<i>2011</i> £
Payments on account on long term contracts	2,867,380	2,266,936
Trade creditors	591,735	580,052
Amounts owed to group undertakings	410,000	300,000
Corporation tax	-	13,544
Other taxes and social security costs	106,853	71,402
Other creditors	3,963,628	2,840,322
Accruals	265,773	221,517
	<u>8,205,369</u>	<u>6,293,773</u>

Notes to the financial statements

at 30 June 2012

14. Share capital

The authorised, allotted and fully paid share capital of the company consisted of:

	<i>Authorised 2012 No.</i>	<i>Authorised 2011 No.</i>	<i>Allotted, called up and fully paid 2012 £</i>	<i>Allotted, called up and fully paid 2011 £</i>
Ordinary shares of £1 each	300,000	300,000	100,000	100,000

15. Reconciliation of shareholders' funds and movements on reserves

	<i>Share capital £</i>	<i>Profit and loss account £</i>	<i>Total £</i>
At 1 July 2010	100,000	3,762,952	3,862,952
Profit for the year	-	612,524	612,524
Dividends	-	(1,120,000)	(1,120,000)
At 1 July 2011	100,000	3,255,476	3,355,476
Profit for the year	-	497,069	497,069
At 30 June 2012	100,000	3,752,545	3,852,545

16. Capital commitments

The company had no contracted capital expenditure at 30 June 2012 (2011 – £nil).

17. Related party transactions

The company is a wholly owned subsidiary of Barnaigh Group Limited, therefore advantage has been taken of the exemptions allowed under Financial Reporting Standard Number 8 relating to subsidiary undertakings.

18. Parent undertaking and controlling party

The ultimate parent undertaking and controlling party is Barnaigh Group Limited, a company incorporated in Scotland, copies of whose financial statements can be obtained from the Registrar of Companies, Companies House, Edinburgh Quay 2, Fountainbridge, Edinburgh, EH3 9FF.

**THE FOLLOWING STATEMENT DOES NOT FORM PART OF
THE AUDITED STATUTORY FINANCIAL STATEMENTS OF THE COMPANY**

Trading statement

for the year ended 30 June 2012

	2012 £	2011 £
Sales and work done	17,885,941	20,387,599
Cost of sales	(15,827,925)	(18,239,518)
Contract provisions	245,000	211,000
Gross Profit	<u>2,303,016</u>	<u>2,359,081</u>
Overheads		
<i>Office, stores and workshops:</i>		
Rent and rates	99,257	97,824
Light and heat	35,347	19,542
	<u>134,604</u>	<u>117,366</u>
<i>Salaries and directors' fees:</i>		
Consultancy fees	40,000	40,000
Salaries and national insurance	987,480	908,971
	<u>1,027,480</u>	<u>948,971</u>
Depreciation of fixed assets	<u>75,919</u>	<u>99,696</u>
<i>Other overheads:</i>		
Printing and stationery	18,440	16,878
Telephone and postage	29,476	27,698
Travelling and subsistence expenses	19,163	15,431
Advertising	20,615	15,075
Loose tools, repairs and replacements	31,659	11,419
Insurance	107,611	75,344
Motor expenses	160,171	138,435
Audit, taxation and professional fees	27,012	39,725
Training	9,949	8,392
Directors/staff pension scheme	32,645	34,366
Sundries and expenses	4,743	1,076
Subscriptions	12,153	12,243
Loss on sale of fixed assets	21,726	1,715
Bank charges	1,814	3,018
	<u>497,177</u>	<u>400,805</u>
Total overheads	<u>1,735,180</u>	<u>1,566,838</u>
Trading Profit for the year	<u>567,836</u>	<u>792,243</u>
Interest		
Bank interest received	62,807	40,281
Profit before taxation	<u>630,643</u>	<u>832,524</u>