

TEDDINGTON CONTROLS LIMITED
REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006

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COMPANIES HOUSE

Rothman Pantall & Co
Chartered Accountants
& Registered Auditors
Fryern House
125 Winchester Road
Chandlers Ford
Eastleigh
Hampshire
SO53 2DR

TEDDINGTON CONTROLS LIMITED
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FOR THE YEAR ENDED 30 SEPTEMBER 2006

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TEDDINGTON CONTROLS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2006

DIRECTORS: D A Alsop
P R Henderson
G J Mitchell

SECRETARY: G J Mitchell

REGISTERED OFFICE: Daniels Lane
Holmbush
St Austell
Cornwall
PL25 3HG

REGISTERED NUMBER: 00533304

AUDITORS: Rothman Pantall & Co
Chartered Accountants
& Registered Auditors
Fryern House
125 Winchester Road
Chandlers Ford
Eastleigh
Hampshire
SO53 2DR

BANKERS: HSBC Bank plc
165 High Street
Southampton
Hampshire
SO14 2NZ

TEDDINGTON CONTROLS LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2006

The directors present their report with the financial statements of the company for the year ended 30 September 2006

PRINCIPAL ACTIVITY

The principal activity of the company during the year continued to be the design, production and sale of electro-mechanical control devices and electronic equipment for use in refrigeration, gas and electrical 'white goods' with domestic and commercial applications. In addition the company provides similar products for the regulation of pressure and temperature via valves and electronic control panels.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The reorganisation of the company was essentially completed at the year end, with unrealisable assets being written off and staff redundancy costs included in the financial statements. On 1st October 2006, the business was divided and transferred to Teddington Appliance Controls Limited and Teddington Electronics Limited. Both of these new companies are subsidiaries of the parent company, Henderson Industries Limited.

DIVIDENDS

No dividends will be distributed for the year ended 30 September 2006.

RESEARCH AND DEVELOPMENT

The policy of the company is to invest in product innovation at such a level as to enable it to retain and enhance its market position.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors during the year under review were

D A Alsop
P R Henderson
G J Mitchell

The directors holding office at 30 September 2006 did not hold any beneficial interest in the issued share capital of the company at 1 October 2005 or 30 September 2006.

The interests of Mr P R Henderson in the share capital of the ultimate holding company, Henderson Industries Limited, are shown in the directors' report of that company.

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.

TEDDINGTON CONTROLS LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, Rothman Pantall & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD:



G J Mitchell - Director

Date 07/02/07

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF TEDDINGTON CONTROLS LIMITED

We have audited the financial statements of Teddington Controls Limited for the year ended 30 September 2006 on pages six to nineteen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on pages two and three.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
TEDDINGTON CONTROLS LIMITED**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2006 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements



Rothman Pantall & Co
Chartered Accountants
& Registered Auditors
Fryern House
125 Winchester Road
Chandlers Ford
Hampshire
SO53 2DR

8 February 2007

TEDDINGTON CONTROLS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2006

		2006		2005	
	Notes	£	£	£	£
TURNOVER	2		7,227,098		8,909,689
Cost of sales			<u>5,857,257</u>		<u>7,161,775</u>
GROSS PROFIT			1,369,841		1,747,914
Distribution costs		249,373		292,960	
Administrative expenses		<u>1,240,678</u>		<u>1,245,009</u>	
			1,490,051		1,537,969
			(120,210)		209,945
Other operating income			<u>5,840</u>		<u>-</u>
OPERATING (LOSS)/PROFIT	4		(114,370)		209,945
Exceptional items	5		<u>285,051</u>		<u>-</u>
			(399,421)		209,945
Interest payable and similar charges	6		<u>171,947</u>		<u>179,598</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			(571,368)		30,347
Tax on (loss)/profit on ordinary activities	7		<u>-</u>		<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			(571,368)		30,347

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

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

The notes form part of these financial statements

TEDDINGTON CONTROLS LIMITED

**BALANCE SHEET
30 SEPTEMBER 2006**

		2006	2005
	Notes	£	£
FIXED ASSETS			
Intangible assets	8	33,583	54,083
Tangible assets	9	1,470,671	1,574,731
		<u>1,504,254</u>	<u>1,628,814</u>
CURRENT ASSETS			
Stocks	10	1,220,203	1,397,357
Debtors	11	3,058,419	3,547,058
Cash at bank and in hand		754	31,079
		<u>4,279,376</u>	<u>4,975,494</u>
CREDITORS			
Amounts falling due within one year	12	2,440,500	2,706,019
NET CURRENT ASSETS		<u>1,838,876</u>	<u>2,269,475</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,343,130</u>	<u>3,898,289</u>
CREDITORS			
Amounts falling due after more than one year	13	(957,896)	(941,687)
PROVISIONS FOR LIABILITIES	17	(39,700)	(39,700)
NET ASSETS		<u><u>2,345,534</u></u>	<u><u>2,916,902</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	1,063,801	1,063,801
Share premium	19	3,040,386	3,040,386
Revaluation reserve	19	533,077	533,077
Profit and loss account	19	(2,291,730)	(1,720,362)
SHAREHOLDERS' FUNDS	23	<u><u>2,345,534</u></u>	<u><u>2,916,902</u></u>

The financial statements were approved by the Board of Directors on its behalf by



P R Henderson - Director

7/2/07

and were signed on

The notes form part of these financial statements

TEDDINGTON CONTROLS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2006

		2006	2005
	Notes	£	£
Net cash inflow from operating activities	1	116,454	236,355
Returns on investments and servicing of finance	2	(155,811)	(167,316)
Capital expenditure	2	(62,979)	13,327
		(102,336)	82,366
Financing	2	(86,046)	106,438
(Decrease)/Increase in cash in the period		(188,382)	188,804
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
(Decrease)/Increase in cash in the period		(188,382)	188,804
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		86,046	(155,388)
Change in net debt resulting from cash flows		(102,336)	33,416
New finance leases		(75,092)	(48,950)
Movement in net debt in the period		(177,428)	(15,534)
Net debt at 1 October		(1,210,477)	(1,194,943)
Net debt at 30 September		(1,387,905)	(1,210,477)

The notes form part of these financial statements

TEDDINGTON CONTROLS LIMITED
NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2006

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

	2006 £	2005 £
Operating (loss)/profit	(114,370)	209,945
Depreciation charges	258,949	294,164
Loss/(Profit) on disposal of fixed assets	3,682	(2,038)
Exceptional items	(285,051)	-
Decrease in stocks	177,154	102,176
Decrease in debtors	488,639	160,615
Decrease in creditors	(412,549)	(528,507)
Net cash inflow from operating activities	<u>116,454</u>	<u>236,355</u>

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

	2006 £	2005 £
Returns on investments and servicing of finance		
Interest paid	(150,710)	(161,140)
Interest element of hire purchase payments	(5,101)	(6,176)
Net cash outflow for returns on investments and servicing of finance	<u>(155,811)</u>	<u>(167,316)</u>
Capital expenditure		
Purchase of tangible fixed assets	(62,979)	11,289
Sale of tangible fixed assets	-	2,038
Net cash (outflow)/inflow for capital expenditure	<u>(62,979)</u>	<u>13,327</u>
Financing		
New loans in year	200,000	950,000
Capital element of loan	(227,633)	(733,699)
Capital element of HP in year	(58,413)	(109,863)
Net cash (outflow)/inflow from financing	<u>(86,046)</u>	<u>106,438</u>

The notes form part of these financial statements

TEDDINGTON CONTROLS LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1/10/05 £	Cash flow £	Other non-cash changes £	At 30/9/06 £
Net cash				
Cash at bank and in hand	31,079	(30,325)		754
Bank overdraft	-	(158,057)		(158,057)
	<u>31,079</u>	<u>(188,382)</u>		<u>(157,303)</u>
Debt				
Hire purchase	(74,911)	58,413	(75,092)	(91,590)
Debts falling due within one year	(249,434)	23,297	-	(226,137)
Debts falling due after one year	(917,211)	4,336	-	(912,875)
	<u>(1,241,556)</u>	<u>86,046</u>	<u>(75,092)</u>	<u>(1,230,602)</u>
Total	<u>(1,210,477)</u>	<u>(102,336)</u>	<u>(75,092)</u>	<u>(1,387,905)</u>

The notes form part of these financial statements

TEDDINGTON CONTROLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets

Turnover

Turnover, which excludes value added tax, trade discounts and sales agents' commission, represents the value of goods and services supplied during the year, as adjusted for accrued and deferred income

Intangible fixed assets

Goodwill arising on the acquisition of businesses in 2004, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is two years

Patents and licences are included at cost and depreciated in equal annual instalments over a period of five years which is their estimated useful economic life

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

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

Fixtures and fittings	5 to 10 years
Plant and equipment	3 to 10 years
Motor vehicles	4 years
Computers	3 to 5 years
Freehold property	40 years

The company has adopted FRS15 in respect of its freehold property and revalued it on 15 July 2002

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis and includes transport and handling costs. In the case of manufactured products, cost includes all direct expenditure and production overheads based on the normal level of activity

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 right to pay less or to receive more, tax

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

Research and development

Research and development expenditure is written off in the year in which it is incurred

Foreign currencies

Foreign currency transactions during the year are translated into sterling at the exchange rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit & loss account

TEDDINGTON CONTROLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

1 ACCOUNTING POLICIES - continued

Leasing and hire purchase commitments

Leasing agreements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if they had been purchased outright. The assets concerned are included in tangible fixed assets and the capital element of the leasing commitments is shown as an obligation under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

Costs in respect of operating leases are charges to the profit and loss account on a straight line basis over the lease term.

Pension costs

The company operates an insured defined contribution scheme for its employees. The company's contributions are fixed periodically following actuarial advice. Contributions are charged to the profit and loss account as incurred.

2 TURNOVER

The turnover and loss (2005 - profit) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below.

	2006 £	2005 £
United Kingdom	5,858,752	7,194,991
USA	609,174	685,687
Continental Europe	595,071	862,327
Rest of World	164,101	166,684
	<u>7,227,098</u>	<u>8,909,689</u>

3 STAFF COSTS

	2006 £	2005 £
Wages and salaries	2,460,106	2,942,883
Social security costs	222,704	257,611
Other pension costs	95,361	98,068
	<u>2,778,171</u>	<u>3,298,562</u>

The average monthly number of employees during the year was as follows.

	2006	2005
Production staff	103	144
Distribution staff	12	12
Administrative staff	29	27
	<u>144</u>	<u>183</u>

TEDDINGTON CONTROLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

4 OPERATING (LOSS)/PROFIT

The operating loss (2005 - operating profit) is stated after charging/(crediting)

	2006	2005
	£	£
Hire of plant and machinery	34,643	36,996
Other operating leases	89,761	81,564
Depreciation - owned assets	236,393	248,432
Depreciation - assets on hire purchase contracts	2,056	17,732
Loss/(Profit) on disposal of fixed assets	3,682	(2,038)
Goodwill amortisation	7,500	15,000
Patents and licences amortisation	13,000	13,000
Auditors' remuneration	15,000	15,000
Foreign exchange differences	15,507	24,800
Research and development expenditure	260,747	245,730
Exceptional items	<u>285,051</u>	<u>-</u>
 Directors' emoluments	 115,682	 110,524
Directors' pension contributions to money purchase schemes	<u>5,111</u>	<u>4,763</u>

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

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

Mr P R Henderson is a director of the parent company Henderson Industries Limited, and is remunerated by that company for his services to the group as a whole. The directors consider that it is not practical to allocate his remuneration between these companies. Mr P R Henderson's emoluments are included in the financial statements of Henderson Industries Limited.

5 EXCEPTIONAL ITEMS

The exceptional items shown in the accounts relate to redundancy costs paid out during the year

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2006	2005
	£	£
Bank interest	22,743	28,891
Loan interest	15,786	12,336
Hire purchase and finance lease charges	5,101	6,176
Other similar charges payable	<u>128,317</u>	<u>132,195</u>
	<u>171,947</u>	<u>179,598</u>

7 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 30 September 2006 nor for the year ended 30 September 2005

TEDDINGTON CONTROLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

7 TAXATION - continued

Factors affecting the tax charge

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

	2006 £	2005 £
(Loss)/profit on ordinary activities before tax	<u>(571,368)</u>	<u>30,347</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 0% (2005 - 30%)	-	9,104
Effects of Expenses not deductible for tax purposes	-	6,820
Capital allowances in excess of depreciation of previous periods	-	(15,924)
	<u> </u>	<u> </u>
Current tax charge	<u>-</u>	<u>-</u>

8 INTANGIBLE FIXED ASSETS

	Goodwill £	Patents and licences £	Totals £
COST			
At 1 October 2005 and 30 September 2006	<u>30,000</u>	<u>65,000</u>	<u>95,000</u>
AMORTISATION			
At 1 October 2005	22,500	18,417	40,917
Amortisation for year	<u>7,500</u>	<u>13,000</u>	<u>20,500</u>
At 30 September 2006	<u>30,000</u>	<u>31,417</u>	<u>61,417</u>
NET BOOK VALUE			
At 30 September 2006	<u>-</u>	<u>33,583</u>	<u>33,583</u>
At 30 September 2005	<u>7,500</u>	<u>46,583</u>	<u>54,083</u>

TEDDINGTON CONTROLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

9 TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Totals £
COST OR VALUATION			
At 1 October 2005	1,052,898	4,238,402	5,291,300
Additions	19,699	118,372	138,071
Disposals	-	(100,517)	(100,517)
	<u>1,072,597</u>	<u>4,256,257</u>	<u>5,328,854</u>
At 30 September 2006			
DEPRECIATION			
At 1 October 2005	82,368	3,634,201	3,716,569
Charge for year	26,584	211,865	238,449
Eliminated on disposal	-	(96,835)	(96,835)
	<u>108,952</u>	<u>3,749,231</u>	<u>3,858,183</u>
At 30 September 2006			
NET BOOK VALUE			
At 30 September 2006	<u>963,645</u>	<u>507,026</u>	<u>1,470,671</u>
At 30 September 2005	<u>970,530</u>	<u>604,201</u>	<u>1,574,731</u>

Cost or valuation at 30 September 2006 is represented by

	Freehold property £	Plant and machinery £	Totals £
Valuation in 2002	1,000,000	-	1,000,000
Cost	72,597	4,256,257	4,328,854
	<u>1,072,597</u>	<u>4,256,257</u>	<u>5,328,854</u>

If freehold property costs had not been revalued they would have been included at the following historical cost

	2006 £	2005 £
Cost	<u>746,641</u>	<u>746,641</u>
Aggregate depreciation	<u>266,794</u>	<u>266,794</u>

Freehold property was valued on an open market value basis on 15 July 2002 by Vickery Holman

The net book value of tangible fixed assets includes £203,939 (2005 - £130,903) in respect of assets held under hire purchase contracts

TEDDINGTON CONTROLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

10 STOCKS

	2006 £	2005 £
Raw materials	851,899	1,029,603
Work-in-progress	132,197	193,469
Finished goods	236,107	174,285
	<u>1,220,203</u>	<u>1,397,357</u>

11 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Trade debtors	1,297,297	1,637,943
Amounts owed by group undertakings	1,663,091	1,759,665
Prepayments and accrued income	98,031	149,450
	<u>3,058,419</u>	<u>3,547,058</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Bank loans and overdrafts (see note 14)	384,194	249,434
Hire purchase contracts (see note 15)	46,569	50,435
Trade creditors	651,867	800,291
Social security and other taxes	51,081	196,545
Other creditors	1,306,789	1,409,314
	<u>2,440,500</u>	<u>2,706,019</u>

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

	2006 £	2005 £
Bank loans (see note 14)	912,875	917,211
Hire purchase contracts (see note 15)	45,021	24,476
	<u>957,896</u>	<u>941,687</u>

14. LOANS

An analysis of the maturity of loans is given below

	2006 £	2005 £
Amounts falling due within one year or on demand:		
Bank overdrafts	158,057	-
Bank loans	226,137	249,434
	<u>384,194</u>	<u>249,434</u>

TEDDINGTON CONTROLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

14 LOANS - continued

	2006 £	2005 £
Amounts falling due between two and five years		
Bank loans	<u>503,654</u>	<u>406,453</u>
Amounts falling due in more than five years		
Repayable otherwise than by instalments		
Bank loans more than 5 years	<u>409,221</u>	<u>510,758</u>

15 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	2006 £	2005 £
		Hire purchase contracts
Net obligations repayable		
Within one year	46,569	50,435
Between one and five years	<u>45,021</u>	<u>24,476</u>
	<u>91,590</u>	<u>74,911</u>

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

	2006 £	2005 £	2006 £	2005 £
			Land and buildings	Other operating leases
Expiring				
Within one year	-	-	8,239	29,775
Between one and five years	<u>35,000</u>	<u>35,000</u>	<u>50,936</u>	<u>33,863</u>
	<u>35,000</u>	<u>35,000</u>	<u>59,175</u>	<u>63,638</u>

16 SECURED DEBTS

The following secured debts are included within creditors

	2006 £	2005 £
Bank overdraft	158,057	-
Bank loans	1,139,012	1,166,645
Hire purchase contracts	91,590	74,911
Factored debts	<u>912,094</u>	<u>1,045,317</u>
	<u>2,300,753</u>	<u>2,286,873</u>

TEDDINGTON CONTROLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

17 PROVISIONS FOR LIABILITIES

	2006 £	2005 £
Other provisions		
Pension provision	<u>39,700</u>	<u>39,700</u>

The provision included in the accounts to 30 September 2006 relates to additional pension contributions due from the company to cover a shortfall in the pension.

18 CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid Number	Class	Nominal value £1	2006 £	2005 £
1,063,801	Ordinary		<u>1,063,801</u>	<u>1,063,801</u>

19 RESERVES

	Profit and loss account £	Share premium £	Revaluation reserve £	Totals £
At 1 October 2005	(1,720,362)	3,040,386	533,077	1,853,101
Deficit for the year	(571,368)			(571,368)
At 30 September 2006	<u>(2,291,730)</u>	<u>3,040,386</u>	<u>533,077</u>	<u>1,281,733</u>

20. ULTIMATE PARENT COMPANY

During the year, the ultimate parent undertaking was Henderson Industries Limited. Copies of its accounts may be obtained from the Registrar of Companies.

21 RELATED PARTY DISCLOSURES

As at 30 September 2006 £1,600,060 (2005 £1,759,665) was owed to the company by its parent company, Henderson Industries Limited.

As at 30 September 2006 £63,031 (2005 £Nil) was owed to the company by Blue Riband Limited, a company whose parent company is also Henderson Industries Limited, and in which Mr P R Henderson is also a director.

During the year Henderson Industries Limited invoiced the company amounts totalling £115,747 (2005 £106,000) in respect of management and consultancy services.

22 POST BALANCE SHEET EVENTS

After the year end the company transferred the property at Daniels Lane to its parent company, Henderson Industries Limited, for a consideration equal to its Net Book Value of £963,645.

On 1 October 2006, the company transferred some of its trade to other companies within the group.

TEDDINGTON CONTROLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

23 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006	2005
	£	£
(Loss)/Profit for the financial year	(571,368)	30,347
Net (reduction)/addition to shareholders' funds	(571,368)	30,347
Opening shareholders' funds	2,916,902	2,886,555
Closing shareholders' funds	2,345,534	2,916,902
 Equity interests	 2,345,534	 2,916,902

24 ULTIMATE CONTROLLING PARTY

Mr P R Henderson, a director, is the sole shareholder of the company's parent company, Henderson Industries Limited

25 CONTINGENCIES

The company has given cross guarantees and floating charges over its assets in respect of facilities granted to all group companies. No loss is expected to arise in connection with these arrangements