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TAYLOR & SONS HOLDINGS LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED

30 SEPTEMBER 2006

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TAYLOR & SONS HOLDINGS LIMITED

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FOR THE YEAR ENDED 30 SEPTEMBER 2006**

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TAYLOR & SONS HOLDINGS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

DIRECTORS

D W Taylor
P Davison-Sebry

SECRETARY

M and A Secretanes Limited

REGISTERED OFFICE

Elfed House
Oak Tree Court, Mulberry Drive
Cardiff Gate Business Park
CARDIFF
CF23 8RS

REGISTERED NUMBER

04177122 (England and Wales)

AUDITORS

Watts Gregory LLP
Chartered Accountants & Registered Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
CF23 8RS

TAYLOR & SONS HOLDINGS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 SEPTEMBER 2006

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a holding company and provider of management services

REVIEW OF BUSINESS

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

The company will continue to act as holding company for its direct investments in the subsidiaries listed at note 9 in the financial statements. During 2006, the company achieved continued progress in line with its business development plans. Profit before tax for the year ended 30 September 2006 was £84,842 compared to £40,508 for the year ended 30 September 2005. The directors anticipate continued profitability in 2007 and improving net assets.

The 'Group' have continued to go from strength to strength not only in their traditional business but also in seeking new markets and clients.

Principal risks

The company's principal risk is the carrying value of its investments. As a result, the principal risks facing the company's largest trading subsidiary, Taylor and Sons Limited, are also the main risks facing this company.

The group's operations expose it to a variety of financial risks that include the effects of market price changes and credit risk. The company seeks to restrict negative effects on the financial performance of the company by reviewing market prices and maintaining close control over debtors.

The group pursues policies that require appropriate credit checks on potential customers before sales are made. Customers are assigned credit limits and overdue debts are chased on a regular basis.

The group is exposed to raw material price risk as a result of its operations. This risk is minimised, however, as the company enjoys supplier contracts with several businesses.

The company monitors its cash flow position to ensure it has sufficient cash in order to fund its activities.

Given the size of the company, the policies set by the board of directors are implemented by the company's finance department.

DIVIDENDS

Interim dividends totalling 90p per share were paid on the Ordinary 'B' £1 shares during the year. No dividends were paid on the Ordinary 'A' £1 shares.

The total distribution of dividends for the year ended 30 September 2006 was £45,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2005 to the date of this report.

D W Taylor

P Davison-Sebry

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.

TAYLOR & SONS HOLDINGS LIMITED

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he 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, Watts Gregory LLP, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD


P Davison-Sebry - Director

Date 25/05/07

**REPORT OF THE INDEPENDENT AUDITORS TO
TAYLOR & SONS HOLDINGS LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages five to fifteen, together with the financial statements of Taylor & Sons Holdings Limited for the year ended 30 September 2006 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.



Watts Gregory LLP
Chartered Accountants & Registered Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
CF23 8RS

Date

25/5/2007

TAYLOR & SONS HOLDINGS LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

	Notes	2006 £	2005 £
GROSS PROFIT		138,672	143,672
Administrative expenses		(5,096)	(1,968)
OPERATING PROFIT	3	133,576	141,704
Amounts written off investments	4	-	(49,000)
		133,576	92,704
Interest payable and similar charges	5	(48,734)	(52,196)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		84,842	40,508
Tax on profit on ordinary activities	6	-	-
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		84,842	40,508

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 profits for the current year or previous year

The notes form part of these abbreviated accounts

TAYLOR & SONS HOLDINGS LIMITED

ABBREVIATED BALANCE SHEET
30 SEPTEMBER 2006


	Notes	2006 £	2005 £
FIXED ASSETS			
Investments	8	1,642,225	1,652,986
CURRENT ASSETS			
Debtors	9	10,000	10,000
Cash at bank		1,107	41,209
		<u>11,107</u>	<u>51,209</u>
CREDITORS			
Amounts falling due within one year	10	(207,231)	(155,318)
NET CURRENT LIABILITIES		<u>(196,124)</u>	<u>(104,109)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,446,101	1,548,877
CREDITORS			
Amounts falling due after more than one year	11	(1,190,126)	(1,332,744)
NET ASSETS		<u>255,975</u>	<u>216,133</u>
CAPITAL AND RESERVES			
Called up share capital	14	100,000	100,000
Profit and loss account	15	155,975	116,133
SHAREHOLDERS' FUNDS	18	<u>255,975</u>	<u>216,133</u>

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

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

25/05/07

and were signed on


P Davison-Sebry - Director

The notes form part of these abbreviated accounts

TAYLOR & SONS HOLDINGS LIMITED

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

	Notes	2006 £	2005 £
Net cash inflow from operating activities	1	117,266	249,766
Returns on investments and servicing of finance	2	(48,734)	(52,196)
Taxation		9,747	(20,835)
Capital expenditure and financial investment	2	15,640	(27,561)
Equity dividends paid		(45,000)	(25,000)
		<u>48,919</u>	<u>124,174</u>
Financing	2	(89,021)	(86,478)
(Decrease)/Increase in cash in the period		<u>(40,102)</u>	<u>37,696</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
(Decrease)/Increase in cash in the period		(40,102)	37,696
Cash outflow from decrease in debt		<u>89,938</u>	<u>86,478</u>
Change in net debt resulting from cash flows		<u>49,836</u>	<u>124,174</u>
Movement in net debt in the period		49,836	124,174
Net debt at 1 October		<u>(1,240,266)</u>	<u>(1,364,440)</u>
Net debt at 30 September		<u>(1,190,430)</u>	<u>(1,240,266)</u>

The notes form part of these abbreviated accounts

TAYLOR & SONS HOLDINGS LIMITED

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

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2006 £	2005 £
Operating profit	133,576	141,704
Profit on disposal of fixed assets	(4,879)	-
Decrease in debtors	-	45
(Decrease)/Increase in creditors	(11,431)	108,017
Net cash inflow from operating activities	117,266	249,766

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

	2006 £	2005 £
Returns on investments and servicing of finance		
Interest paid	(48,734)	(52,196)
Net cash outflow for returns on investments and servicing of finance	(48,734)	(52,196)
Capital expenditure and financial investment		
Purchase of fixed asset investments	-	(27,561)
Sale of fixed asset investments	15,640	-
Net cash inflow/(outflow) for capital expenditure and financial investment	15,640	(27,561)
Financing		
Debenture repayments in year	(89,938)	(86,478)
Amount introduced by directors	917	-
Net cash outflow from financing	(89,021)	(86,478)

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1/10/05 £	Cash flow £	At 30/9/06 £
Net cash			
Cash at bank	41,209	(40,102)	1,107
	<u>41,209</u>	<u>(40,102)</u>	<u>1,107</u>
Debt			
Debts falling due within one year	(89,938)	(3,597)	(93,535)
Debts falling due after one year	(1,191,537)	93,535	(1,098,002)
	<u>(1,281,475)</u>	<u>89,938</u>	<u>(1,191,537)</u>
Total	(1,240,266)	49,836	(1,190,430)

The notes form part of these abbreviated accounts

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

1 ACCOUNTING POLICIES**Accounting convention**

The financial statements have been prepared under the historical cost convention

Going concern

As at 30 September 2006 there were net current liabilities of £196,124. However, the directors consider the going concern basis of preparation of the financial statements to be appropriate as the company continues to be profitable and the directors are confident that the company will be in a position to meet its obligations as they fall due.

Exemption from preparing consolidated financial statements

The financial statements contain information about Taylor & Sons Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 248 of the Companies Act 1985 from the requirements to prepare consolidated financial statements.

Investments

Investments are recorded at cost less any provision required for diminution in value.

2 STAFF COSTS

There were no staff costs for the year ended 30 September 2006 nor for the year ended 30 September 2005.

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2006 £	2005 £
Profit on disposal of fixed assets	(4,879)	-
Auditors' remuneration	<u>2,771</u>	<u>1,894</u>
Directors' emoluments	<u>-</u>	<u>-</u>

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

Money purchase schemes	<u>1</u>	<u>1</u>
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The directors' aggregate emoluments in respect of qualifying services were:

	2006 £	2005 £
Aggregate emoluments (including receivable from subsidiaries)	115,894	104,347
Value of company pension contributions to money purchase scheme	<u>12,770</u>	<u>9,274</u>
	<u>128,664</u>	<u>113,621</u>

4 AMOUNTS WRITTEN OFF INVESTMENTS

	2006 £	2005 £
Amounts written off associated undertakings	<u>-</u>	<u>49,000</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2006

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2006 £	2005 £
Bank interest	-	2
Loan note interest payable	48,734	52,194
	<u>48,734</u>	<u>52,196</u>

6 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

Factors affecting the tax charge

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

	2006 £	2005 £
Profit on ordinary activities before tax	<u>84,842</u>	<u>40,508</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 - 30%)	25,453	12,152
Effects of Permanent disallowables	1,727	14,700
Group losses relieved	(27,066)	(26,852)
Chargeable gain	1,351	-
Timing difference	(1,465)	-
Current tax charge	<u>-</u>	<u>-</u>

7 DIVIDENDS

	2006 £	2005 £
Ordinary 'B' shares of £1 each Interim	<u>45,000</u>	<u>25,000</u>

8 FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Interest in associate undertakings £	Listed investments £	Unlisted investments £	Totals £
COST					
At 1 October 2005	1,591,474	83,760	10,761	15,991	1,701,986
Disposals	-	-	(10,761)	-	(10,761)
At 30 September 2006	<u>1,591,474</u>	<u>83,760</u>	<u>-</u>	<u>15,991</u>	<u>1,691,225</u>
PROVISIONS					
At 1 October 2005 and 30 September 2006	-	49,000	-	-	49,000
NET BOOK VALUE					
At 30 September 2006	<u>1,591,474</u>	<u>34,760</u>	<u>-</u>	<u>15,991</u>	<u>1,642,225</u>
At 30 September 2005	<u>1,591,474</u>	<u>34,760</u>	<u>10,761</u>	<u>15,991</u>	<u>1,652,986</u>

TAYLOR & SONS HOLDINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2006

8 FIXED ASSET INVESTMENTS - continued

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

Subsidiaries

Taylor & Sons Limited

Nature of business Mechanical engineering

	% holding	2006 £	2005 £
Class of shares			
Ordinary	100 00		
Aggregate capital and reserves		5,256,806	5,215,728
Profit for the year		<u>41,078</u>	<u>6,113</u>

Taylor Products Limited

Nature of business Mechanical engineering

	% holding	2006 £	2005 £
Class of shares			
Ordinary	100 00		
Aggregate capital and reserves		(849,874)	(478,098)
Loss for the year		<u>(371,776)</u>	<u>(178,203)</u>

Taylor Properties (Wales) Limited

Nature of business Property investment

	% holding	2006 £	2005 £
Class of shares			
Ordinary	100 00		
Aggregate capital and reserves		14,014	64,732
Loss for the year		<u>(50,718)</u>	<u>(49,562)</u>

Blastpride (Holdings) Limited

Nature of business Shotblasting and painting

	% holding	2006 £	2005 £
Class of shares			
Ordinary	80 00		
Aggregate capital and reserves		(39,696)	(38,709)
Loss for the year		<u>(987)</u>	<u>(42,402)</u>

Taylor Total Weed Control Limited

Nature of business Commercial and domestic landscaping

	% holding	2006 £	2005 £
Class of shares			
Ordinary	100 00		
Aggregate capital and reserves		12,500	449
Profit/(Loss) for the year		<u>12,051</u>	<u>(12,051)</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2006

8 FIXED ASSET INVESTMENTS - continued

Blastpride Services Limited

Nature of business Non trading

Class of shares	% holding	2006	2005
Ordinary	80 00	£	£
Aggregate capital and reserves		(1,188)	(1,188)
Profit for the year		-	1,773

Associated Companies**Hoverdale Equipments Limited**

Nature of business Mechanical engineering

Class of shares	% holding	2006	2005
Ordinary	30 00	£	£
Aggregate capital and reserves		22,752	18,774
Profit for the year		3,978	9,453

IMP Limited

Nature of business Manufacturing

Class of shares	% holding	31/3/06	31/3/05
Ordinary	50 00	£	£
Preference	54 00		
Aggregate capital and reserves		(141,444)	(75,345)
Loss for the year		(70,899)	(109,172)

The results stated reflect the latest information available

Innotech (Wales) Limited

Nature of business Other service activities

Class of shares	% holding	30/6/05	30/6/04
Ordinary	50 00	£	£
Preference	100 00		
Aggregate capital and reserves		52,976	46,942
Profit/(Loss) for the year/period		6,034	(3,158)

The results stated reflect the latest information available

9 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£	£
Amounts owed by group undertakings	10,000	10,000

TAYLOR & SONS HOLDINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2006

10 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Other loans (see note 12)	93,535	89,938
Amounts owed to group undertakings	31,787	361
Taxation and social security	49,791	40,044
Other creditors	23,263	22,500
Accruals and deferred income	8,855	2,475
	<u>207,231</u>	<u>155,318</u>

11 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2006 £	2005 £
Other loans (see note 12)	1,098,002	1,191,537
Amounts owed to group undertakings	50,000	100,000
Directors' loan accounts	42,124	41,207
	<u>1,190,126</u>	<u>1,332,744</u>

12 LOANS

An analysis of the maturity of loans is given below

	2006 £	2005 £
Amounts falling due within one year or on demand		
Loan notes - less than 1 year	<u>93,535</u>	<u>89,938</u>
Amounts falling due between one and two years		
Loan notes - 1 - 2 years	<u>97,276</u>	<u>93,535</u>
Amounts falling due between two and five years		
Loan notes - 2 - 5 years	<u>315,803</u>	<u>303,657</u>
Amounts falling due in more than five years		
Repayable by instalments		
Loan notes - over 5 years	<u>684,923</u>	<u>794,345</u>

The outstanding loan balance as at 30 September 2006 is payable to D W Taylor and B J Taylor. The above analysis relates entirely to loan notes.

13 SECURED DEBTS

The following secured debts are included within creditors

	2006 £	2005 £
Other loans	<u>1,191,537</u>	<u>1,281,475</u>

Other loans are secured on the assets of the company

TAYLOR & SONS HOLDINGS LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

14 CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid Number	Class	Nominal value	2006 £	2005 £
50,000	Ordinary 'A'	£1	50,000	50,000
50,000	Ordinary 'B'	£1	50,000	50,000
			<u>100,000</u>	<u>100,000</u>

15 RESERVES

	Profit and loss account £
At 1 October 2005	116,133
Profit for the year	84,842
Dividends	<u>(45,000)</u>
At 30 September 2006	<u>155,975</u>

16 TRANSACTIONS WITH DIRECTORS

At 30 September 2006 £42,124 (2005 - £41,207) was owed to the directors

Amounts owed to directors do not have fixed terms of repayment and are not interest bearing

During the year D W Taylor received £21,267 (2005 - £22,239) interest (net) and £49,061 (2005 - £47,174) capital repayment in respect of loan notes issued

TAYLOR & SONS HOLDINGS LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

17 RELATED PARTY DISCLOSURES

Taylor & Sons Holdings Limited is the ultimate parent company and is under the control of the directors as listed in the directors' report

The following companies are group companies or related parties with which the company has undertaken transactions during the year and which require disclosure under FRS 8

Group Companies	Relationship
Taylor & Sons Limited	100% subsidiary
Taylor Products Limited	100% subsidiary
Taylor Total Weed Control Limited	100% subsidiary of Taylor & Sons Limited

Related Party	
B J Taylor	Sister of D W Taylor and shareholder

The following transactions were undertaken during the year

	Nature of transaction	2006	2005
		£	£
Taylor & Sons Limited	Management charges	138,672	138,672
B J Taylor	Loan notes interest paid (net)	17,720	18,528
Taylor Total Weed Control Limited	Management charges	-	5,000

The balances outstanding at the year end are

		2006	2005
		£	£
		Dr/(Cr)	Dr/(Cr)
Taylor & Sons Limited	Group balance	(81,787)	(100,361)
Taylor Products Limited	Group balance	10,000	10,000
B J Taylor	Other creditor	(23,263)	(22,500)

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006	2005
	£	£
Profit for the financial year	84,842	40,508
Dividends	(45,000)	(25,000)
Net addition to shareholders' funds	39,842	15,508
Opening shareholders' funds	216,133	200,625
Closing shareholders' funds	255,975	216,133
Equity interests	255,975	216,133

19 CONTROL

The company is under the control of the directors whose names are detailed in the directors' report