

McCarthy Taylor Limited



Annual report and financial statements

for the year ended
31 October 2005

Company number 03489824





ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2005

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DIRECTOR
P A Taylor FFA MSFA

SECRETARY
EH Taylor

AUDITORS
Guest Wilson Chartered Accountants
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DIRECTORS' REPORT

The director presents his report and accounts for the year ended 31 October 2005.

RESULTS AND DIVIDENDS

The company's profit for the year after taxation amounted to £39,293 (2004 – profit £18,163). Interim dividends of £42,500 have been paid; the director does not recommend any final dividend and the remaining deficit of £3,207 will be transferred from reserves.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity during the year continued to be the provision of regulated financial services. Both the level of business and the year-end financial position were satisfactory and the director expects that the present level of activity will be sustained for the foreseeable future.

DIRECTOR AND HIS INTERESTS

The director at 31 October 2005 and his interests in the share capital of the company were as follows:

	At 31 October 2005	At 1 November 2004
	"A" Ordinary shares	"A" Ordinary shares
P A Taylor	10,000	10,000

DIRECTOR'S RESPONSIBILITIES FOR THE ACCOUNTS

Company law requires the director to prepare accounts 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 for that period. In preparing those accounts the director is required to:

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

The director is 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 accounts comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution proposing the re-appointment of Guest Wilson Ltd will be put to the Annual General Meeting.

By order of the Board

EH Taylor
Secretary
16 May 2006

INDEPENDENT AUDITORS' REPORT to the shareholders of McCarthy Taylor Limited

We have audited the financial statements of McCarthy Taylor Limited for the year ended 31 October 2005 on pages 5 to 11. These financial statements have been prepared under the historical cost convention and 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 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 director and auditors

As described on page 3 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the Directors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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.

We have undertaken the audit in accordance with the requirements of Auditing Practices Board Ethical Standards including APB Ethical Standard – Provisions Available for Small Entities, in the circumstances set out in note 17 to the financial statements.

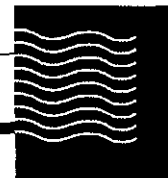
Opinion

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 31 October 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Guest Wilson Limited
Chartered Accountants and Registered Auditor

16 May 2006

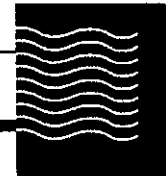


PROFIT AND LOSS ACCOUNT for the year ended 31 October 2005

	Notes	2005 £	2004 £
Turnover	2	316,207	248,459
Administrative expenses		(264,789)	(222,648)
OPERATING PROFIT	3	51,418	25,811
Interest payable and similar charges	6	(3,276)	(4,116)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		48,142	21,695
Tax on profit on ordinary activities	7	(8,849)	(3,532)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		39,293	18,163
Dividends		(42,500)	(8,000)
RETAINED (DEFICIT)/PROFIT FOR THE YEAR	15	£ (3,207)	£ 10,163

All of the company's activities were continuing activities.

McCarthy Taylor Limited



BALANCE SHEET as at 31 October 2005

	Notes	2005 £	2004 £
FIXED ASSETS			
Tangible assets	8	2,843	294
CURRENT ASSETS			
Stocks and work-in-progress	9	51,104	35,894
Debtors	10	53,103	31,268
Cash at bank and in hand		8,684	18,475
		112,891	85,637
CREDITORS: amounts falling due within one year	11	(73,782)	(31,228)
NET CURRENT ASSETS		39,109	54,409
TOTAL ASSETS LESS CURRENT LIABILITIES		41,952	54,703
CREDITORS: amounts falling due after more than one year			
Loans	12	(3,532)	(12,675)
PROVISION FOR LIABILITIES AND CHARGES			
Deferred tax	13	(430)	(831)
NET ASSETS		£ 37,990	£ 41,197

CAPITAL AND RESERVES			
Called up share capital	14	10,100	10,100
Profit and loss account	15	27,890	31,097
EQUITY SHAREHOLDERS' FUNDS	15	£ 37,990	£ 41,197



P A Taylor
Director

16 May 2006



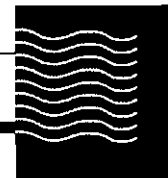
STATEMENT OF CASH FLOWS for the year ended 31 October 2005

Reconciliation of operating profit to net cash inflow from operating activities	2005 £	2004 £
Operating profit	51,418	25,811
Depreciation	656	147
Decrease/(increase) in debtors	(21,835)	792
Decrease/(increase) in stocks and work-in-progress	(15,210)	24,713
(Decrease)/increase in creditors	34,591	(6,081)
Net cash inflow from continuing operating activities	49,620	45,382

Cash flow statement	2005 £	2004 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	49,620	45,382
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest paid	(3,276)	(4,116)
TAXATION		
Corporation tax paid	(1,287)	(5,050)
CAPITAL EXPENDITURE		
Receipts from disposal of fixed assets	-	-
Payments to acquire tangible fixed assets	(3,205)	-
	(3,205)	-
DIVIDENDS		
Equity dividends paid	(42,500)	(8,000)
FINANCING		
Bank loan	(9,143)	(7,126)
Finance leases	-	-
	(9,143)	(7,126)
(DECREASE)/INCREASE IN CASH	(9,791)	21,090

Reconciliation of net cash flow to movement in net debt	2005 £	2004 £
(Decrease)/increase in cash in the year	(9,791)	21,090
Cashflow from debt and lease financing	9,143	7,126
Movement in net debt in the year	(648)	28,216
Net debt at 1 November 2004	(2,260)	(30,476)
Net debt at 31 October 2005	(2,908)	(2,260)

Analysis of net debt	1 November 2004 £	Cash flow £	Other Non-cash £	31 October 2005 £
Cash at bank and in hand	18,475	(9,791)	-	8,684
Debt due within one year	(8,060)	-	-	(8,060)
Debt due after one year	(12,675)	9,143	-	(3,532)
	(20,735)	9,143	-	(11,592)
	(2,260)	(648)	-	(2,908)



NOTES TO THE ACCOUNTS at 31 October 2005

1 ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable Accounting Standards.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

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

Plant and machinery	-	over 5 years
Fixtures, fittings and equipment	-	over 4 to 5 years
Motor vehicles	-	over 5 years

Work-in-progress

Work-in-progress is stated at the lower of cost (comprising the cost of direct labour to bring a project to its current state) and net realisable value. Net realisable value is based on estimated fees chargeable less any further costs expected to be incurred to completion.

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the accounts and their recognition for corporate tax purposes.

Capital instruments

Shares are included in shareholders' funds. Other instruments are classified as liabilities if they contain an obligation to transfer economic benefits and if they are not included in shareholders' funds. The finance cost recognised in the profit and loss account in respect of capital instruments other than equity shares is allocated to periods over the term of the instrument at a constant rate on the carrying amount.

2 TURNOVER AND SEGMENTAL ANALYSIS

Turnover, which is stated net of value added tax, represents amounts invoiced to or receivable from third parties wholly in the United Kingdom. Turnover is attributable to one continuing activity, the provision of regulated financial services in the United Kingdom.

3 OPERATING PROFIT

This is stated after charging/(crediting):

	2005 £	2004 £
Depreciation and amortisation of owned fixed assets	656	147
Auditors' remuneration	1,500	1,500

4 STAFF COSTS

	2005 £	2004 £
Wages and salaries	159,381	134,160
Social security costs	16,382	12,545
Other pension costs	7,070	2,945
	182,833	149,650

The average weekly number of employees during the year was made up as follows:

	Number	Number
Administration	9	9



5	DIRECTORS' REMUNERATION	2005 £	2004 £
	Emoluments	50,400	22,905

The highest paid director received remuneration of £50,400 (2004 - £22,905).

6	INTEREST PAYABLE AND SIMILAR CHARGES	2005 £	2004 £
	Finance charges payable under finance leases and hire purchase contracts	-	-
	Loan interest	1,250	1,922
	Other financing charges	2,026	2,194
		3,276	4,116

7	TAX ON PROFIT ON ORDINARY ACTIVITIES	2005 £	2004 £
	Based on profit for the year: corporation tax at 19%	9,250	3,800
	Corporation tax underprovided in previous years	-	-
	Deferred taxation credit	(401)	(268)
		8,849	3,532

Factors affecting tax charge for the period

The tax assessed for the period is lower than the standard rate of UK corporation tax (30%). The differences are explained below:

	2005 £	2004 £
Profit on ordinary activities before taxation	48,142	21,695
Profit on ordinary activities multiplied by the small companies rate of UK corporation tax (19%, 2004 19%)	9,147	4,122
<u>Effects of:</u>		
Expenses not deductible for tax purposes	305	110
Capital allowances for period in excess of depreciation	(402)	(268)
Marginal relief	-	(196)
Rounding	200	32
Current tax charge for year	9,250	3,800

8	TANGIBLE FIXED ASSETS	Fixtures, fittings and equipment £	Plant & machinery £	Total £
Cost or valuation:				
	At 1 November 2004	3,974	8,974	12,948
	Additions	-	3,205	3,205
	Disposals	-	-	-
	At 31 October 2005	3,974	12,179	16,153
Depreciation:				
	At 1 November 2004	3,974	8,680	12,654
	Provided during the year	-	656	656
	Disposals	-	-	-
	At 31 October 2005	3,974	9,336	13,310
Net book value				
	At 31 October 2005	-	2,843	2,843
	At 1 November 2004	-	294	294

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9	STOCKS	2005 £	2004 £
	Work in progress	51,104	35,894

The directors consider that the replacement value of stock is not materially different from the value stated above.

10	DEBTORS	2005 £	2004 £
	Amounts falling due within one year		
	Trade debtors	36,972	22,338
	Prepayments and accrued income	16,131	8,930
		53,103	31,268

11	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2005 £	2004 £
	Current instalments due on loans (note 12)	8,060	8,060
	Bank overdraft	-	-
	Trade creditors	5,063	4,871
	Corporation tax	11,763	3,800
	Other taxes and social security costs	11,093	6,947
	Other creditors	25,789	249
	Accruals	12,014	7,301
		73,782	31,228

12	LOANS	2005 £	2004 £
	<i>Repayable wholly within 5 years</i>		
	Bank loan at normal commercial rates, secured, payable by 2007	11,592	20,735
	Included in Creditors: amounts falling due within one year	(8,060)	(8,060)
		3,532	12,675

	<i>Amounts repayable</i>		
	In one year or less or on demand	8,060	8,060
	Between one and two years	3,532	8,060
	In two to five years	-	4,615
		11,592	20,735

13	DEFERRED TAXATION	2005 £	2004 £
	The amounts provided are:		
	Accelerated capital allowances	430	831

			£
	At beginning of year		831
	Credit for the year in the profit and loss account		(401)
	At end of year		430



14 SHARE CAPITAL

	Authorised	
	2005 £	2004 £
Ordinary "A" shares of £1 each	10,000	10,000
Ordinary "B" shares of £1 each	1,000	1,000
	11,000	11,000

	Allotted, called-up and fully paid			
	2005 No.	2004 No.	2005 £	2004 £
Ordinary "A" shares of £1 each	10,000	10,000	10,000	10,000
Ordinary "B" shares of £1 each	100	100	100	100
Ordinary shares of £1 each	10,100	10,100	10,100	10,100

The ordinary shares have one vote per share, no rights to dividends other than those that may be recommended by the directors and unlimited rights to share in the surplus remaining on a winding up after all liabilities and participation rights of other classes of shares (if any) have been satisfied. The ordinary "B" shares have limitations governing their transferability. In all other respects they have the same rights as the ordinary "A" shares.

15 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital £	Profit and loss account £	Total shareholders' funds £
At 1 November 2003	10,100	20,934	31,034
Profit for the year	-	18,163	18,163
Dividends	-	(8,000)	(8,000)
At 31 October 2004	10,100	31,097	41,197
Profit for the year	-	39,293	39,293
Dividends	-	(42,500)	(42,500)
At 31 October 2005	10,100	27,890	37,990

16 RELATED PARTIES

The company is controlled by P A Taylor, the chairman and Managing Director. Mr Taylor is also a director of McCarthy Taylor Consulting Ltd. At the year-end the company was owed £11,730 by McCarthy Taylor Consulting Ltd.

17 AUDITORS

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.