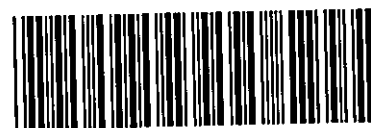


**REPORT OF THE DIRECTORS AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008  
FOR  
LES TAYLOR CONTRACTORS LIMITED**

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**LES TAYLOR CONTRACTORS LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2008**

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**LES TAYLOR CONTRACTORS LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**DIRECTORS:**

L P Taylor  
Mrs J S Taylor  
I Nelson  
L G Taylor  
P Noble  
P Fawns

**SECRETARY:**

Masson & Glennie

**REGISTERED OFFICE:**

Broad House  
Broad Street  
Peterhead  
Aberdeenshire  
AB42 1HY

**REGISTERED NUMBER:**

095134 (Scotland)

**AUDITORS:**

Acumen Accountants and Advisors Limited  
Registered Auditors  
Bon Accord House  
Riverside Drive  
ABERDEEN  
AB11 7SL

## **LES TAYLOR CONTRACTORS LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2008**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2008.

#### **PRINCIPAL ACTIVITIES**

The principal activities of the group in the year under review were those of earthworks, civil engineering, drainage, haulage and plant hire. The principal activities of its subsidiary company, JG Fowlie (Contractors) Limited, were those of demolition experts and asbestos removal specialists. The principal activity of its subsidiary company, Leafhill Limited is that of quarry leaseholder.

#### **REVIEW OF BUSINESS**

The directors of the Les Taylor Group aim to present a true and fair review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and nature of our business and is written in the context of the risks and uncertainties we face.

At the date of 31 December 2008, the group is made up of 3 limited companies - Les Taylor Contractors Limited, J G Fowlie (Contractors) Limited and Grampian Building Contractors Limited. Within Les Taylor Contractors Limited we have - trading divisions, which are Les Taylor Contractors, dealing with civil engineering, drainage, supply of quarry materials and plant hire; Mintlaw Transport, dealing with haulage and animal feed storage; during the year both Taylor Products, dealing in the manufacture of farm implements and Pro Tec Trailers, dealing in the manufacture of trailers, ceased to trade. J G Fowlie (Contractors) Limited operates as licensed asbestos removers and demolition contractors. Grampian Building Contractors Limited was purchased 29 February 2008 to compliment our existing quarry operations, and expand into skip hire, with the benefits of their newly built waste transfer station.

As the only group in the North East of Scotland to offer the services of demolition, drainage and civils under one roof, we are in a unique position of offering our clients a site clearance and preparation service, ready for them to commence building. During 2008, as a result of the world's economic position, the housing sector began to slow down, however, we have over the last few years been expanding our commercial building sector and have had a very successful year.

Mintlaw Transport continues to make a significant contribution to group profitability and has built up a reputation over the years of a reliable service for haulage. The feed stores are audited annually by TASSC and continue to achieve the standards required to retain this certificate.

We consider our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole as being turnover, gross margin and liquidity.

Within Les Taylor Contractors Limited, the turnover has increased by approximately 19% on 2007. The directors are delighted to report an increase in gross margin, of approximately 5%. The directors also keep a keen eye on the group's liquidity within the group banking arrangements, and are very pleased to report, that although an overdraft requirement had been expected for the first year after the purchase of Grampian Building Contractors Limited, we have cash in hand, minimising the need to rely on the bank overdraft facility.

Within J G Fowlie (Contractors) Limited, the turnover has increased by approximately 15% after remaining steady between 2006 and 2007. The gross margin has increased again this year by just under 5%.

Grampian Building Contractors Limited, are reporting on a 14 month accounting period to bring their year end into line with the parent company, Les Taylor Contractors Limited. The directors are pleased with the integration of the company into the group. The turnover has dropped by approximately 6% if prorated to cover the 14 month extended accounting period, which was partly expected by the directors, due to the cross over in quarry operations. The drop in gross margin, however, has caused the directors some concern. Our investigations into this have proved inconclusive, however the directors are satisfied that a large part of the drop is due to Grampian Building Contractors integrating with the group.

As for many businesses of our size, the business environment in which we operate continues to be challenging. The UK housing market took a dramatic downturn during 2008, with many national house builders facing the prospects of redundancy as a knock on effect of the housing market slow down. In last year's report, we predicted that "we expect to bear the full brunt of the downturn in 2009 rather than 2008", which as these accounts show the group has strengthened during 2008, putting us in a much stronger position than some competitors to "ride out" the current economic recession. At the point of signing these accounts, 2009 so far has been tough trading for us and we now expect the first half of 2010 to be hard too, however based on our current financial standing we will continue to weather the storm from a stronger position than many in the industry.

The directors have considered the future of the group carefully and are constantly monitoring the situation, ready to be proactive to try and ensure the profitability and growth of our group. The directors are aware that any plans for the future development of the business may be subject to unforeseen future events outside of their control.

#### **DIVIDENDS**

The total distribution of dividends for the year ended 31 December 2008 will be £29,309.

# **LES TAYLOR CONTRACTORS LIMITED**

## **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2008**

### **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 shown below have held office during the whole of the period from 1 January 2008 to the date of this report.

L P Taylor  
Mrs J S Taylor  
I Nelson  
L G Taylor  
P Noble  
P Fawns

Other changes in directors holding office are as follows:

J Bremner ceased to be a director after 31 December 2008 but prior to the date of this report.

### **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 the group and of the profit or loss of the group 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;
- state whether applicable 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

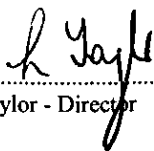
### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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 group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

### **AUDITORS**

The auditors, Acumen Accountants and Advisors Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

### **ON BEHALF OF THE BOARD:**



L P Taylor - Director

26 October 2009

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LES TAYLOR CONTRACTORS LIMITED**

We have audited the group and company financial statements of Les Taylor Contractors Limited for the year ended 31 December 2008 on pages five to twenty eight. 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 a Report of the Auditors 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 page 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**

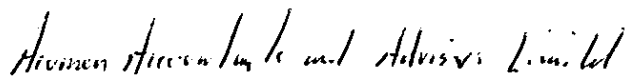
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 group's and 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.

### **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 group's and parent company's affairs as at 31 December 2008 and of the group's profit 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.



Acumen Accountants and Advisors Limited  
Registered Auditors  
Bon Accord House  
Riverside Drive  
ABERDEEN  
AB11 7SL

26 October 2009

**LES TAYLOR CONTRACTORS LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

		2008	2007
	Notes	£	as restated £
<b>TURNOVER</b>		32,355,081	23,998,475
Cost of sales		<u>24,230,913</u>	<u>18,542,249</u>
<b>GROSS PROFIT</b>		8,124,168	5,456,226
Administrative expenses		<u>3,765,584</u>	<u>2,666,705</u>
		4,358,584	2,789,521
Other operating income		<u>70,495</u>	<u>33,502</u>
<b>OPERATING PROFIT</b>	3	4,429,079	2,823,023
Income from fixed asset investments		8,805	-
Interest receivable and similar income		<u>111,213</u>	<u>231,804</u>
		120,018	231,804
		4,549,097	3,054,827
Amounts written off investments	4	<u>-</u>	<u>4,894</u>
		4,549,097	3,049,933
Interest payable and similar charges	5	<u>501,284</u>	<u>101,384</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		4,047,813	2,948,549
Tax on profit on ordinary activities	6	<u>1,913,855</u>	<u>946,789</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u>2,133,958</u>	<u>2,001,760</u>

**CONTINUING OPERATIONS**

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

**TOTAL RECOGNISED GAINS AND LOSSES**

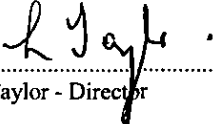
The group has no recognised gains or losses other than the profits for the current year or previous year.

**LES TAYLOR CONTRACTORS LIMITED**

**CONSOLIDATED BALANCE SHEET  
31 DECEMBER 2008**

		2008		2007 as restated	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	10		9,023,972		-
Tangible assets	11		13,795,017		8,373,384
Investments	12		<u>49,407</u>		<u>49,406</u>
			22,868,396		8,422,790
<b>CURRENT ASSETS</b>					
Stocks	13	2,554,093		1,224,515	
Debtors	14	3,652,967		4,691,496	
Investments	15	50,177		21,372	
Cash in hand		<u>2,387,612</u>		<u>4,117,870</u>	
		8,644,849		10,055,253	
<b>CREDITORS</b>					
Amounts falling due within one year	16	<u>9,395,894</u>		<u>4,898,027</u>	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<u>(751,045)</u>		<u>5,157,226</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			22,117,351		13,580,016
<b>CREDITORS</b>					
Amounts falling due after more than one year	17		(6,142,215)		(824,415)
<b>PROVISIONS FOR LIABILITIES</b>	21		<u>(1,707,555)</u>		<u>(766,964)</u>
<b>NET ASSETS</b>			<u>14,267,581</u>		<u>11,988,637</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	22		556,630		556,630
Share premium	23		32,487		32,487
Revaluation reserve	23		832,717		875,669
Capital redemption reserve	23		142,212		142,212
Profit and loss account	23		<u>12,703,535</u>		<u>10,381,639</u>
<b>SHAREHOLDERS' FUNDS</b>	28		<u>14,267,581</u>		<u>11,988,637</u>

The financial statements were approved by the Board of Directors on 26 October 2009 and were signed on its behalf by:

  
.....  
L P Taylor - Director

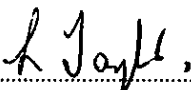


**LES TAYLOR CONTRACTORS LIMITED**

**COMPANY BALANCE SHEET**  
**31 DECEMBER 2008**

		2008		2007 as restated	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	10		-		-
Tangible assets	11		9,792,706		8,274,781
Investments	12		<u>12,382,596</u>		<u>537,604</u>
			22,175,302		8,812,385
<b>CURRENT ASSETS</b>					
Stocks	13	2,063,469		791,797	
Debtors	14	2,982,824		4,312,985	
Investments	15	50,177		21,372	
Cash at bank and in hand		<u>2,911,268</u>		<u>4,117,870</u>	
		8,007,738		9,244,024	
<b>CREDITORS</b>					
Amounts falling due within one year	16	<u>7,922,257</u>		<u>4,543,832</u>	
<b>NET CURRENT ASSETS</b>			<u>85,481</u>		<u>4,700,192</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			22,260,783		13,512,577
<b>CREDITORS</b>					
Amounts falling due after more than one year	17		(9,245,072)		(3,004,471)
<b>PROVISIONS FOR LIABILITIES</b>	21		<u>(1,481,101)</u>		<u>(753,165)</u>
<b>NET ASSETS</b>			<u>11,534,610</u>		<u>9,754,941</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	22		556,630		556,630
Share premium	23		32,487		32,487
Revaluation reserve	23		832,717		875,669
Capital redemption reserve	23		142,212		142,212
Profit and loss account	23		<u>9,970,564</u>		<u>8,147,943</u>
<b>SHAREHOLDERS' FUNDS</b>	28		<u>11,534,610</u>		<u>9,754,941</u>

The financial statements were approved by the Board of Directors on 26 October 2009 and were signed on its behalf by:

  
.....  
L P Taylor - Director

**LES TAYLOR CONTRACTORS LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

		2008		2007 as restated	
	Notes	£	£	£	£
<b>Net cash inflow from operating activities</b>	1		10,075,482		3,174,296
<b>Returns on investments and servicing of finance</b>	2		(381,266)		130,420
<b>Taxation</b>			(757,171)		(621,369)
<b>Capital expenditure and financial investment</b>	2		(4,308,408)		(1,973,683)
<b>Acquisitions and disposals</b>	2		(11,998,793)		-
<b>Equity dividends paid</b>			<u>(29,309)</u>		<u>-</u>
			(7,399,465)		709,664
<b>Financing</b>	2		<u>5,969,015</u>		<u>70,051</u>
<b>(Decrease)/Increase in cash in the period</b>			<u>(1,430,450)</u>		<u>779,715</u>
<hr/>					
<b>Reconciliation of net cash flow to movement in net funds</b>	3				
(Decrease)/Increase in cash in the period		(1,430,450)		779,715	
Cash outflow/(inflow) from increase/(decrease) in liquid resources		28,805		(403,155)	
Cash inflow from increase in debt and lease financing		<u>(6,396,379)</u>		<u>(160,429)</u>	
Change in net funds resulting from cash flows			<u>(7,798,024)</u>		<u>216,131</u>
<b>Movement in net funds in the period</b>			<u>(7,798,024)</u>		<u>216,131</u>
<b>Net funds at 1 January</b>			<u>2,033,908</u>		<u>1,817,777</u>
<b>Net (debt)/funds at 31 December</b>			<u>(5,764,116)</u>		<u>2,033,908</u>

The notes form part of these financial statements

**LES TAYLOR CONTRACTORS LIMITED**

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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

	2008	2007 as restated
	£	£
Operating profit	4,429,079	2,823,023
Depreciation charges	2,640,474	1,603,825
Profit on disposal of fixed assets	(50,010)	(190,099)
(Increase)/Decrease in stocks	(1,329,578)	288,011
Decrease/(Increase) in debtors	1,047,859	(1,804,166)
Increase in creditors	3,337,658	453,702
<b>Net cash inflow from operating activities</b>	<b>10,075,482</b>	<b>3,174,296</b>

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

	2008	2007 as restated
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	111,213	231,804
Interest paid	(346,015)	(5,675)
Interest element of hire purchase payments	(155,269)	(95,709)
Dividends received	8,805	-
<b>Net cash (outflow)/inflow for returns on investments and servicing of finance</b>	<b>(381,266)</b>	<b>130,420</b>
<b>Capital expenditure and financial investment</b>		
Purchase of intangible fixed assets	(80,000)	-
Purchase of tangible fixed assets	(5,257,596)	(3,262,879)
Purchase of fixed asset investments	(1)	(4,300)
Sale of tangible fixed assets	1,057,995	748,156
Sale of fixed asset investments	-	142,183
Purchase of current asset investments	(28,806)	-
Sale of current asset investment	-	403,157
<b>Net cash outflow for capital expenditure and financial investment</b>	<b>(4,308,408)</b>	<b>(1,973,683)</b>
<b>Acquisitions and disposals</b>		
Goodwill on acquisition of GBC Ltd	(8,985,433)	-
Pre acquisition reserves	(3,013,360)	-
<b>Net cash outflow for acquisitions and disposals</b>	<b>(11,998,793)</b>	<b>-</b>
<b>Financing</b>		
New loans in year	5,432,312	-
Loan provided from group	5,102	-
Capital repayments in year	596,379	160,429
Amount withdrawn by directors	(64,778)	(90,378)
<b>Net cash inflow from financing</b>	<b>5,969,015</b>	<b>70,051</b>

**LES TAYLOR CONTRACTORS LIMITED**

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.1.08 £	Cash flow £	At 31.12.08 £
Net cash:			
Cash at bank and in hand	4,117,870	(1,730,258)	2,387,612
Bank overdraft	<u>(367,688)</u>	<u>299,808</u>	<u>(67,880)</u>
	<u>3,750,182</u>	<u>(1,430,450)</u>	<u>2,319,732</u>
Liquid resources:			
Current asset investments	<u>21,372</u>	<u>28,805</u>	<u>50,177</u>
	<u>21,372</u>	<u>28,805</u>	<u>50,177</u>
Debt:			
Hire purchase	(1,737,646)	(596,379)	(2,334,025)
Debts falling due within one year	-	(600,000)	(600,000)
Debts falling due after one year	<u>-</u>	<u>(5,200,000)</u>	<u>(5,200,000)</u>
	<u>(1,737,646)</u>	<u>(6,396,379)</u>	<u>(8,134,025)</u>
Total	<u>2,033,908</u>	<u>(7,798,024)</u>	<u>(5,764,116)</u>

## LES TAYLOR CONTRACTORS LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

#### 1. ACCOUNTING POLICIES

##### **Accounting convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and are in accordance with applicable accounting standards.

##### **Basis of consolidation**

The consolidated financial statements include the company and all of its subsidiary undertakings. The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the date of their acquisition or up to the date of their disposal. Intra-group sales and purchases are eliminated upon consolidation.

##### **Turnover**

Turnover represents net invoiced sales of goods and services excluding value added tax.

##### **Goodwill**

Goodwill, being the amount paid in connection with the acquisition of a business has been fully amortised in the current year. Further goodwill, within the group, in connection with the acquisition of a business in 2003, is being amortised evenly over its estimated useful life of seven years.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 4% on cost
Plant and machinery	- 22.5% on reducing balance, 20% on reducing balance, 20% on cost and 15% on reducing balance
Fixtures and fittings	- 33% on cost, 25% on cost, 20% on reducing balance, 15% on reducing balance and 15% on cost
Motor vehicles	- 25% on reducing balance and 20% on cost

##### **Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Work in progress is valued in accordance with long term work in progress per Statement of Standard Accounting Practice 9, due to the nature of the ongoing contracts at the year end.

##### **Deferred tax**

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

Deferred tax assets and liabilities are not discounted.

**LES TAYLOR CONTRACTORS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**1. ACCOUNTING POLICIES - continued**

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

**Fixed asset investments**

Fixed asset investments are recorded in the balance sheet at original cost less any provision for permanent diminution in value.

**Current asset investments**

Current asset investments are recorded in the balance sheet at original cost less any provision for permanent diminution in value.

**2. STAFF COSTS**

	2008	2007 as restated
	£	£
Wages and salaries	9,252,683	7,786,745
Social security costs	1,066,313	865,733
Other pension costs	191,128	108,175
	<u>10,510,124</u>	<u>8,760,653</u>

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

	2008	2007 as restated
Management	6	7
Administration	27	23
Drivers, labourers and plant operators	<u>235</u>	<u>202</u>
	<u>268</u>	<u>232</u>

**LES TAYLOR CONTRACTORS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**3. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2008	2007 as restated
	£	£
Plant & equipment hire	180,856	21,563
Depreciation - owned assets	1,751,931	1,061,864
Depreciation - assets on hire purchase contracts	1,008,645	541,961
Profit on disposal of fixed assets	(50,010)	(190,099)
Goodwill amortisation	162,578	-
Auditors' remuneration	<u>42,925</u>	<u>31,201</u>
Directors' emoluments	1,156,713	1,095,454
Directors' pension contributions to money purchase schemes	<u>111,525</u>	<u>-</u>

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

Money purchase schemes	<u>6</u>	<u>6</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2008	2007 as restated
	£	£
Emoluments etc	140,102	280,124
Pension contributions to money purchase schemes	<u>52,816</u>	<u>-</u>

**4. AMOUNTS WRITTEN OFF INVESTMENTS**

	2008	2007 as restated
	£	£
Provision for diminution in value of investment	<u>-</u>	<u>4,894</u>

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	2008	2007 as restated
	£	£
Bank interest	16,627	5,675
Bank loan interest	321,342	-
Interest on overdue PAYE	8,046	-
Hire purchase	<u>155,269</u>	<u>95,709</u>
	<u>501,284</u>	<u>101,384</u>

# LES TAYLOR CONTRACTORS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2008

### 6. TAXATION

#### Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2008 £	2007 as restated £
Current tax:		
UK corporation tax	1,779,602	830,520
Prior year - under provision	<u>157,119</u>	<u>-</u>
Total current tax	1,936,721	830,520
Deferred tax	<u>(22,866)</u>	<u>116,269</u>
Tax on profit on ordinary activities	<u><u>1,913,855</u></u>	<u><u>946,789</u></u>

UK corporation tax was charged at 30% in 2007.

#### 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:

	2008 £	2007 as restated £
Profit on ordinary activities before tax	<u>4,047,813</u>	<u>2,948,549</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.490% (2007 - 30%)	1,153,222	884,565
Effects of:		
Effect of differences between depreciation and capital allowances	189,341	(91,917)
Loss on disposal of fixed assets	(8,171)	(57,144)
Non allowable expenses	331,921	61,568
Income subject to capital gains, covered by losses brought forward loss less diminution provision	-	31,728
Gain from non trading relationships	(2,129)	-
Franked investment income	(2,509)	-
Underprovision in previous years	157,118	1,720
Pre-acquisition profits	<u>117,928</u>	<u>-</u>
Current tax charge	<u><u>1,936,721</u></u>	<u><u>830,520</u></u>

#### Factors that may affect future tax charges

No provision has been made for the deferred tax on gains recognised on revaluing property to its market value. Such tax would become payable only if the property was sold without it being possible to claim rollover relief. The total amount unprovided for is £199,500 (2007: £199,500). At present, it is not envisaged that any tax will become payable in the foreseeable future.

### 7. PROFIT OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £1,779,669 (2007 - £1,553,960).



**LES TAYLOR CONTRACTORS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**8. DIVIDENDS**

	2008	2007 as restated
	£	£
Ordinary "A" shares of £1 each		
Interim	<u>29,309</u>	<u>-</u>

**9. PRIOR YEAR ADJUSTMENT**

The accounts have been adjusted to reflect a transfer from the share capital reserve to the profit and loss reserve in prior years of £739,127.

**10. INTANGIBLE FIXED ASSETS**

**Group**

	Goodwill £
<b>COST</b>	
Additions	<u>9,186,550</u>
At 31 December 2008	<u>9,186,550</u>
<b>AMORTISATION</b>	
Amortisation for year	<u>162,578</u>
At 31 December 2008	<u>162,578</u>
<b>NET BOOK VALUE</b>	
At 31 December 2008	<u>9,023,972</u>

**Company**

	Goodwill £
<b>COST</b>	
At 1 January 2008	87,500
Additions	<u>80,000</u>
At 31 December 2008	<u>167,500</u>
<b>AMORTISATION</b>	
At 1 January 2008	87,500
Amortisation for year	<u>80,000</u>
At 31 December 2008	<u>167,500</u>
<b>NET BOOK VALUE</b>	
At 31 December 2008	<u>-</u>
At 31 December 2007	<u>-</u>

**LES TAYLOR CONTRACTORS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**11. TANGIBLE FIXED ASSETS**

**Group**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST OR VALUATION</b>					
At 1 January 2008	1,749,593	10,417,733	45,823	993,238	13,206,387
Additions	3,399,710	5,523,954	53,283	213,247	9,190,194
Disposals	<u>(32,939)</u>	<u>(2,929,339)</u>	<u>(37,352)</u>	<u>(311,955)</u>	<u>(3,311,585)</u>
At 31 December 2008	<u>5,116,364</u>	<u>13,012,348</u>	<u>61,754</u>	<u>894,530</u>	<u>19,084,996</u>
<b>DEPRECIATION</b>					
At 1 January 2008	109,990	4,114,135	43,620	565,258	4,833,003
Charge for year	128,162	2,472,484	11,212	148,718	2,760,576
Eliminated on disposal	<u>(3,630)</u>	<u>(2,014,316)</u>	<u>(37,816)</u>	<u>(247,838)</u>	<u>(2,303,600)</u>
At 31 December 2008	<u>234,522</u>	<u>4,572,303</u>	<u>17,016</u>	<u>466,138</u>	<u>5,289,979</u>
<b>NET BOOK VALUE</b>					
At 31 December 2008	<u>4,881,842</u>	<u>8,440,045</u>	<u>44,738</u>	<u>428,392</u>	<u>13,795,017</u>
At 31 December 2007	<u>1,639,603</u>	<u>6,303,598</u>	<u>2,203</u>	<u>427,980</u>	<u>8,373,384</u>

Included in freehold property is investment property with a value of £500,000. This valuation has been agreed by the directors of the company. No depreciation has been charged in accordance with SSAP 19.

Cost or valuation at 31 December 2008 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 1995	194,937	-	-	-	194,937
Valuation in 2000	171,451	-	-	-	171,451
Valuation in 2005	424,681	-	-	-	424,681
Cost	<u>4,325,295</u>	<u>13,012,348</u>	<u>61,574</u>	<u>894,530</u>	<u>18,293,747</u>
	<u>5,116,364</u>	<u>13,012,348</u>	<u>61,574</u>	<u>894,530</u>	<u>19,084,816</u>

**LES TAYLOR CONTRACTORS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**11. TANGIBLE FIXED ASSETS - continued**

**Group**

If freehold properties had not been revalued they would have been included at the following historical cost:

	2008	2007 as restated
	£	£
Cost	<u>4,325,295</u>	<u>958,523</u>
Aggregate depreciation	<u>208,087</u>	<u>249,203</u>

Freehold properties were valued on an open market basis on 20 June 2006 by Aberdeen and Northern (Estates) Limited.

The valuers are independent and the valuations were based on open market value. The valuation has been made in accordance with RICS Statements of Asset Valuation Practice and Guidance Notes.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £
<b>COST OR VALUATION</b>	
At 1 January 2008	3,551,931
Additions	2,857,785
Disposals	(159,551)
Transfer to ownership	<u>(1,313,250)</u>
At 31 December 2008	<u>4,936,915</u>
<b>DEPRECIATION</b>	
At 1 January 2008	844,509
Charge for year	1,008,645
Eliminated on disposal	6,952
Transfer to ownership	<u>(698,555)</u>
At 31 December 2008	<u>1,161,551</u>
<b>NET BOOK VALUE</b>	
At 31 December 2008	<u>3,775,364</u>
At 31 December 2007	<u>2,707,422</u>

**LES TAYLOR CONTRACTORS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**11. TANGIBLE FIXED ASSETS - continued**

**Company**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST OR VALUATION</b>					
At 1 January 2008	1,749,593	10,396,928	45,823	978,801	13,171,145
Additions	1,419,005	2,539,399	32,390	96,691	4,087,485
Disposals	-	(1,968,011)	(10,383)	(234,174)	(2,212,568)
At 31 December 2008	<u>3,168,598</u>	<u>10,968,316</u>	<u>67,830</u>	<u>841,318</u>	<u>15,046,062</u>
<b>DEPRECIATION</b>					
At 1 January 2008	109,990	4,189,595	43,620	553,158	4,896,363
Charge for year	75,300	1,502,917	5,036	118,186	1,701,439
Eliminated on disposal	-	(1,128,020)	(10,847)	(205,579)	(1,344,446)
At 31 December 2008	<u>185,290</u>	<u>4,564,492</u>	<u>37,809</u>	<u>465,765</u>	<u>5,253,356</u>
<b>NET BOOK VALUE</b>					
At 31 December 2008	<u>2,983,308</u>	<u>6,403,824</u>	<u>30,021</u>	<u>375,553</u>	<u>9,792,706</u>
At 31 December 2007	<u>1,639,603</u>	<u>6,207,333</u>	<u>2,203</u>	<u>425,643</u>	<u>8,274,782</u>

Cost or valuation at 31 December 2008 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 1995	194,937	-	-	-	194,937
Valuation in 2000	171,451	-	-	-	171,451
Valuation in 2005	424,681	-	-	-	424,681
Cost	<u>2,377,529</u>	<u>10,968,316</u>	<u>67,830</u>	<u>841,318</u>	<u>14,254,993</u>
	<u>3,168,598</u>	<u>10,968,316</u>	<u>67,830</u>	<u>841,318</u>	<u>15,046,062</u>

If freehold properties had not been revalued they would have been included at the following historical cost:

	2008 £	2007 as restated £
Cost	<u>2,377,529</u>	<u>958,523</u>
Aggregate depreciation	<u>90,362</u>	<u>46,704</u>

Freehold properties were valued on an open market basis on 20 June 2006 by Aberdeen and Northern (Estates) Limited.

The valuers are independent and the valuations were based on open market value. The valuation has been made in accordance with RICS Statements of Asset Valuation Practice and Guidance Notes.

**LES TAYLOR CONTRACTORS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**11. TANGIBLE FIXED ASSETS - continued**

**Company**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £
<b>COST OR VALUATION</b>	
At 1 January 2008	3,551,931
Additions	1,672,590
Disposals	(159,551)
Transfer to ownership	<u>(576,550)</u>
At 31 December 2008	<u>4,488,420</u>
<b>DEPRECIATION</b>	
At 1 January 2008	844,509
Charge for year	686,535
Eliminated on disposal	6,952
Transfer to ownership	<u>(296,758)</u>
At 31 December 2008	<u>1,241,238</u>
<b>NET BOOK VALUE</b>	
At 31 December 2008	<u>3,247,182</u>
At 31 December 2007	<u>2,707,422</u>

**12. FIXED ASSET INVESTMENTS**

**Group**

	Unlisted investments £
<b>COST</b>	
At 1 January 2008	54,300
Additions	<u>1</u>
At 31 December 2008	<u>54,301</u>
<b>PROVISIONS</b>	
At 1 January 2008 and 31 December 2008	<u>4,894</u>
<b>NET BOOK VALUE</b>	
At 31 December 2008	<u>49,407</u>
At 31 December 2007	<u>49,406</u>

**LES TAYLOR CONTRACTORS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**12. FIXED ASSET INVESTMENTS - continued**

<b>Company</b>	<b>Unlisted investments £</b>
<b>COST</b>	
At 1 January 2008	542,498
Additions	<u>11,844,992</u>
At 31 December 2008	<u>12,387,490</u>
<b>PROVISIONS</b>	
At 1 January 2008 and 31 December 2008	<u>4,894</u>
<b>NET BOOK VALUE</b>	
At 31 December 2008	<u>12,382,596</u>
At 31 December 2007	<u>537,604</u>

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

**Subsidiaries**

**J G Fowlie (Contractors) Limited**

Nature of business: demolition & asbestos removal specialists

	<b>% holding</b>	<b>2008 £</b>	<b>2007 £</b>
Class of shares: Ordinary £1	100.00		
Aggregate capital and reserves		3,314,787	2,721,892
Profit for the year		<u>592,895</u>	<u>447,799</u>

**Grampian Building Contractors Limited**

Nature of business: civil engineering and excavation

	<b>% holding</b>	<b>2008 £</b>
Class of shares: Ordinary £1	100.00	
Aggregate capital and reserves		2,709,491
Profit for the period/year		<u>116,359</u>

**Leafhill Limited**

Nature of business: quarry leaseholder.

	<b>% holding</b>	<b>2008 £</b>	<b>2007 £</b>
Class of shares: Ordinary £1	100.00		
Aggregate capital and reserves		(5,095)	(5,868)
Profit/(Loss) for the year		<u>773</u>	<u>(192)</u>

# LES TAYLOR CONTRACTORS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2008

### 12. FIXED ASSET INVESTMENTS - continued

#### Mountwest 538 Limited

Nature of business: Dormant

Class of shares: Ordinary £1

%  
holding  
100.00

2008  
£

Aggregate capital and reserves

1

### 13. STOCKS

	Group		Company	
	2008	2007 as restated	2008	2007 as restated
	£	£	£	£
Raw materials and consumables	306,300	145,924	65,000	145,924
Work-in-progress	<u>2,247,793</u>	<u>1,078,591</u>	<u>1,998,469</u>	<u>645,873</u>
	<u>2,554,093</u>	<u>1,224,515</u>	<u>2,063,469</u>	<u>791,797</u>

### 14. DEBTORS

	Group		Company	
	2008	2007 as restated	2008	2007 as restated
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	2,706,376	2,515,868	1,490,278	2,164,083
Other debtors	158,252	1,133,705	120,087	1,107,611
Directors' current accounts	14,356	-	4,868	-
Accrued income	11,537	750,000	-	750,000
Prepayments	<u>37,968</u>	<u>42,654</u>	<u>37,968</u>	<u>42,654</u>
	<u>2,928,489</u>	<u>4,442,227</u>	<u>1,653,201</u>	<u>4,064,348</u>
Amounts falling due after more than one year:				
Trade debtors	719,384	144,637	719,384	144,637
Amounts owed by group undertakings	5,094	632	610,239	-
Other debtors	<u>-</u>	<u>104,000</u>	<u>-</u>	<u>104,000</u>
	<u>724,478</u>	<u>249,269</u>	<u>1,329,623</u>	<u>248,637</u>
Aggregate amounts	<u>3,652,967</u>	<u>4,691,496</u>	<u>2,982,824</u>	<u>4,312,985</u>

### 15. CURRENT ASSET INVESTMENTS

	Group		Company	
	2008	2007 as restated	2008	2007 as restated
	£	£	£	£
Listed investments	<u>50,177</u>	<u>21,372</u>	<u>50,177</u>	<u>21,372</u>

Market value of listed investments at 31 December 2008 held by the group and the company - £32,692 (2007 - £26,332).

**LES TAYLOR CONTRACTORS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2008	2007 as restated	2008	2007 as restated
	£	£	£	£
Bank loans and overdrafts (see note 18)	667,880	367,688	600,000	356,587
Hire purchase contracts (see note 19)	1,391,810	913,863	1,091,810	913,863
Trade creditors	2,600,783	1,710,885	2,181,075	1,627,704
Tax	1,779,602	600,052	1,433,455	454,556
Social security and other taxes	804,697	700,853	760,703	636,247
VAT	171,731	16,687	-	-
Other creditors	251,474	93,244	235,352	91,694
Amounts owed to group undertakings	-	8	-	8
Directors' current accounts	-	59,910	-	59,910
Accruals & deferred income	1,727,917	434,837	1,619,862	403,263
	<u>9,395,894</u>	<u>4,898,027</u>	<u>7,922,257</u>	<u>4,543,832</u>

**17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2008	2007 as restated	2008	2007 as restated
	£	£	£	£
Bank loans (see note 18)	5,200,000	-	5,200,000	-
Hire purchase contracts (see note 19)	942,215	823,783	857,550	823,783
Amounts owed to group undertakings	-	632	3,187,522	2,180,688
	<u>6,142,215</u>	<u>824,415</u>	<u>9,245,072</u>	<u>3,004,471</u>

**18. LOANS**

An analysis of the maturity of loans is given below:

	<b>Group</b>		<b>Company</b>	
	2008	2007 as restated	2008	2007 as restated
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	67,880	367,688	-	356,587
Term loan 1	600,000	-	600,000	-
	<u>667,880</u>	<u>367,688</u>	<u>600,000</u>	<u>356,587</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	1,200,000	-	1,200,000	-
Amounts falling due between two and five years:				
Bank loans - 2-5 years	1,800,000	-	1,800,000	-
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loan > 5 years	2,200,000	-	2,200,000	-



**LES TAYLOR CONTRACTORS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**19. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES**

**Group**

	Hire purchase contracts	
	2008	2007 as restated
	£	£
Gross obligations repayable:		
Within one year	1,479,749	992,459
Between one and five years	<u>976,374</u>	<u>859,832</u>
	<u>2,456,123</u>	<u>1,852,291</u>
Finance charges repayable:		
Within one year	87,939	78,596
Between one and five years	<u>34,159</u>	<u>36,049</u>
	<u>122,098</u>	<u>114,645</u>
Net obligations repayable:		
Within one year	1,391,810	913,863
Between one and five years	<u>942,215</u>	<u>823,783</u>
	<u>2,334,025</u>	<u>1,737,646</u>

**Company**

	Hire purchase contracts	
	2008	2007 as restated
	£	£
Gross obligations repayable:		
Within one year	1,179,749	992,459
Between one and five years	<u>891,709</u>	<u>859,832</u>
	<u>2,071,458</u>	<u>1,852,291</u>
Finance charges repayable:		
Within one year	87,939	78,596
Between one and five years	<u>34,159</u>	<u>36,049</u>
	<u>122,098</u>	<u>114,645</u>
Net obligations repayable:		
Within one year	1,091,810	913,863
Between one and five years	<u>857,550</u>	<u>823,783</u>
	<u>1,949,360</u>	<u>1,737,646</u>

**LES TAYLOR CONTRACTORS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**19. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued**

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

<b>Group</b>	<b>Land and buildings</b>		<b>Other operating leases</b>	
	2008	2007 as restated	2008	2007 as restated
	£	£	£	£
Expiring:				
Within one year	-	-	-	7,131
Between one and five years	5,000	-	2,259	7,030
In more than five years	10,000	-	-	-
	<u>15,000</u>	<u>-</u>	<u>2,259</u>	<u>14,161</u>

<b>Company</b>	<b>Land and buildings</b>		<b>Other operating leases</b>	
	2008	2007 as restated	2008	2007 as restated
	£	£	£	£
Expiring:				
Within one year	-	-	-	7,131
Between one and five years	5,000	-	2,259	7,030
In more than five years	10,000	-	-	-
	<u>15,000</u>	<u>-</u>	<u>2,259</u>	<u>14,161</u>

**20. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>Group</b>		<b>Company</b>	
	2008	2007 as restated	2008	2007 as restated
	£	£	£	£
Bank overdrafts	67,880	367,688	-	356,587
Bank loans	<u>5,800,000</u>	<u>-</u>	<u>5,800,000</u>	<u>-</u>
	<u>5,867,880</u>	<u>367,688</u>	<u>5,800,000</u>	<u>356,587</u>

The bank overdraft is secured by a standard security over the property and a floating charge over all the other assets of the group.

**LES TAYLOR CONTRACTORS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**21. PROVISIONS FOR LIABILITIES**

	<b>Group</b>		<b>Company</b>	
	2008	2007 as restated	2008	2007 as restated
	£	£	£	£
Deferred tax	<u>969,993</u>	<u>766,964</u>	<u>743,539</u>	<u>753,165</u>
Other provisions	<u>737,562</u>	<u>-</u>	<u>737,562</u>	<u>-</u>
Aggregate amounts	<u>1,707,555</u>	<u>766,964</u>	<u>1,481,101</u>	<u>753,165</u>
<b>Group</b>				
				Deferred tax
				£
Balance at 1 January 2008				766,964
Accelerated capital allowances				<u>203,029</u>
Balance at 31 December 2008				<u>969,993</u>
<b>Company</b>				
				Deferred tax
				£
Balance at 1 January 2008				753,165
Movement within the year				<u>(9,626)</u>
Balance at 31 December 2008				<u>743,539</u>

**22. CALLED UP SHARE CAPITAL**

Authorised:		Nominal value:	2008	2007 as restated
Number:	Class:			
			£	£
1,000,000	Ordinary "A"	£1	1,000,000	1,000,000
100	Ordinary "B"	£1	<u>100</u>	<u>100</u>
			<u>1,000,100</u>	<u>1,000,100</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2008	2007 as restated
			£	£
556,630	Ordinary "A"	£1	<u>556,630</u>	<u>556,630</u>

The A and B ordinary shares have full dividend rights; are not redeemable; carry equal rights on a winding up. The A ordinary shares carry full voting rights, whereas the B ordinary shares carry no voting rights.

**LES TAYLOR CONTRACTORS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**23. RESERVES**

<b>Group</b>	<b>Profit and loss account £</b>	<b>Share premium £</b>	<b>Revaluation reserve £</b>	<b>Capital redemption reserve £</b>	<b>Totals £</b>
At 1 January 2008	10,381,639	32,487	875,669	142,212	11,432,007
Profit for the year	2,133,958				2,133,958
Dividends	(29,309)				(29,309)
Transferred to profit & loss account in line with depreciation	42,952	-	(42,952)	-	-
Pre-acquisition profits	174,295	-	-	-	174,295
At 31 December 2008	<u>12,703,535</u>	<u>32,487</u>	<u>832,717</u>	<u>142,212</u>	<u>13,710,951</u>
<b>Company</b>					
	<b>Profit and loss account £</b>	<b>Share premium £</b>	<b>Revaluation reserve £</b>	<b>Capital redemption reserve £</b>	<b>Totals £</b>
At 1 January 2008	8,147,943	32,487	875,669	142,212	9,198,311
Profit for the year	1,779,669				1,779,669
Transferred to profit & loss account in line with depreciation	42,952	-	(42,952)	-	-
At 31 December 2008	<u>9,970,564</u>	<u>32,487</u>	<u>832,717</u>	<u>142,212</u>	<u>10,977,980</u>

**24. TRANSACTIONS WITH DIRECTORS**

The following loan to directors subsisted during the years ended 31 December 2008 and 31 December 2007:

	<b>2008 £</b>	<b>2007 as restated £</b>
<b>L P Taylor</b>		
Balance outstanding at start of year	(59,910)	-
Balance outstanding at end of year	4,868	(59,910)
Maximum balance outstanding during year	<u>19,045</u>	<u>-</u>

The loan was repaid within nine months of the year end.

## **LES TAYLOR CONTRACTORS LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2008**

#### **25. RELATED PARTY DISCLOSURES**

The following are considered to be related parties of Les Taylor Contractors Limited:

J G Fowlie (Contractors) Limited - wholly owned subsidiary of the company.

Leafhill Limited - wholly owned subsidiary of the company.

Grampian Building Contractors Limited - wholly owned subsidiary of the company.

Les Taylor Construction (Northern) Limited - a company in which L P Taylor owned 30% of the shares and was a director of the company. L P Taylor sold his shares in the company on 8 December 2008 and resigned as a director on 9 December 2008.

Les Taylor Contractors Directors Pension Scheme - a scheme in which L P Taylor, J Taylor and L G Taylor are members.

New Leeds Properties Limited - a company owned 100% by L G Taylor, a director of the company.

Expotech Limited - a company in which L P Taylor owns 66.67% of the shares and is a director of the company.

Peterhead Football Club Limited - L P Taylor is a director and shareholder of the company.

Transactions with these related parties during the year were as follows:

The company made sales of £855,349 (2007: £972,458) to and purchases of £411,239 (2007: £174,886) from J G Fowlie (Contractors) Limited. At the balance sheet date the company owed J G Fowlie (Contractors) Limited £3,187,522 (2007: £2,180,688).

The company made sales of £39,291 to and purchases of £752,626 from Grampian Building Contractors Limited. At the balance sheet date the company was owed an amount of £605,145 by Grampian Building Contractors Limited.

At 31 December 2008 a balance of £5,094 (2007: £906) was due to Leafhill Limited.

At 31 December 2008 the company had an outstanding loan due from Les Taylor Construction (Northern) Limited of £Nil (2007: £156,000). The company made sales of £250,699 (2007: £106,247) to Les Taylor Construction (Northern) Limited. At the year end a balance of £46,248 (2007: £6,147) was due from Les Taylor Construction (Northern) Limited.

During the year the company incurred rent charges of £62,250 (2007: £68,578) from the Les Taylor Contractors Directors Pension Scheme.

During the year the company was charged £15,700 (2007: £15,700) for rent by New Leeds Properties Limited.

At 31 December 2008 the company had an outstanding loan due from Expotech Limited of £59,252 (2007: £39,616). The company made purchases on behalf of Expotech Limited of £19,637 (2007: £1,217).

During the year the company had an outstanding loan due from Peterhead Football Club Limited of £30,000 (2007: £Nil). The company made purchases of £1,686 from Peterhead Football Club Limited.

During the year J G Fowlie (Contractors) Limited invoiced Grampian Building Contractors Limited for sales of £9,648 (2007: £Nil). At the year end a balance of £9,773 (2007: £Nil) was due from Grampian Building Contractors Limited in relation to these sales.

During the year J G Fowlie (Contractors) Limited received purchase invoices from Grampian Building Contractors Limited to the value of £41,853 (2007: £Nil). At the year end a balance of £1,121 (2007: £Nil) was due to be paid to Grampian Building Contractors Limited.

During the year J G Fowlie (Contractors) Limited invoiced Les Taylor Construction (Northern) Limited for sales of £18,756 (2007: £Nil). At the year end a balance of £6,583 (2007: £Nil) was due from Les Taylor Construction (Northern) Limited.

All transactions between these companies were carried out at arms' length.

#### **26. POST BALANCE SHEET EVENTS**

An offer for four lots at Balmoor Industrial Estate, Peterhead, was made on 15 December 2008, for £150,000 plus VAT. Missives were concluded on 2 March 2009.

#### **27. ULTIMATE CONTROLLING PARTY**

The company is controlled by L P Taylor and Mrs J S Taylor.

**LES TAYLOR CONTRACTORS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**28. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

**Group**

	2008	2007 as restated
	£	£
Profit for the financial year	2,133,958	2,001,760
Dividends	(29,309)	-
	<u>2,104,649</u>	<u>2,001,760</u>
Pre-acquisition profits	174,295	-
	<u>2,278,944</u>	<u>2,001,760</u>
<b>Net addition to shareholders' funds</b>	<b>11,988,637</b>	<b>9,986,877</b>
Opening shareholders' funds		
	<u>14,267,581</u>	<u>11,988,637</u>
<b>Closing shareholders' funds</b>		

**Company**

	2008	2007 as restated
	£	£
Profit for the financial year	1,779,669	1,553,960
	<u>1,779,669</u>	<u>1,553,960</u>
<b>Net addition to shareholders' funds</b>	<b>9,754,941</b>	<b>8,200,981</b>
Opening shareholders' funds		
	<u>11,534,610</u>	<u>9,754,941</u>
<b>Closing shareholders' funds</b>		