

REGISTERED NUMBER: 095134 (Scotland)

Acumen
accountants + advisors

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004
FOR
LES TAYLOR CONTRACTORS LIMITED**



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for the Year Ended 31 December 2004**

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LES TAYLOR CONTRACTORS LIMITED

COMPANY INFORMATION
for the Year Ended 31 December 2004

DIRECTORS:

L P Taylor
Mrs J S Taylor
S P Gilmartin
I Nelson

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 2004

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2004.

PRINCIPAL ACTIVITIES

The principal activities of the group in the year under review were those of earthworks, civil engineering specialising in bridgeworks and structural repairs, haulage and plant hire. The principal activities of its subsidiary company, JG Fowlie (Contractors) Limited, where those of demolition experts and asbestos removal specialists.

REVIEW OF BUSINESS

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

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2004.

DIRECTORS

The directors during the year under review were:

L P Taylor
Mrs J S Taylor
S P Gilmartin
I Nelson

The beneficial interests of the directors holding office on 31 December 2004 in the issued share capital of the company were as follows:

	31.12.04	1.1.04
Ordinary "A" £1 shares		
L P Taylor	281,630	281,630
Mrs J S Taylor	275,000	275,000
S P Gilmartin	91,302	128,852
I Nelson	-	-
Ordinary "B" £1 shares		
L P Taylor	-	-
Mrs J S Taylor	-	-
S P Gilmartin	100	100
I Nelson	-	-

During the year the company purchased 37,550 of its own ordinary "A" shares from Simon Gilmartin for a consideration of £402,912.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which 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 those 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.

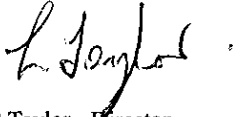
LES TAYLOR CONTRACTORS LIMITED

**REPORT OF THE DIRECTORS
for the Year Ended 31 December 2004**

AUDITORS

The auditors, Acumen Accountants and Advisors Limited, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'L P Taylor', with a small dot at the end.

L P Taylor - Director

4 August 2005

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

We have audited the financial statements of Les Taylor Contractors Limited for the year ended 31 December 2004 on pages five to twenty four. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Report of the Directors 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 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 United Kingdom Auditing Standards 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 December 2004 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



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

4 August 2005

LES TAYLOR CONTRACTORS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the Year Ended 31 December 2004

	Notes	2004 £	2003 £
TURNOVER		25,322,337	20,042,976
Cost of sales		<u>20,860,296</u>	<u>16,385,049</u>
GROSS PROFIT		4,462,041	3,657,927
Administrative expenses		<u>2,969,016</u>	<u>2,487,131</u>
		1,493,025	1,170,796
Other operating income		<u>9,375</u>	<u>16,950</u>
OPERATING PROFIT	3	1,502,400	1,187,746
Interest receivable and similar income		<u>70,817</u>	<u>51,233</u>
		1,573,217	1,238,979
Interest payable and similar charges	5	<u>88,606</u>	<u>125,360</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,484,611	1,113,619
Tax on profit on ordinary activities	6	<u>467,368</u>	<u>337,097</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>1,017,243</u>	<u>776,522</u>
RETAINED PROFIT FOR THE YEAR FOR THE GROUP		<u>1,017,243</u>	<u>776,522</u>

CONTINUING OPERATIONS

With the exception of the group's Thistle Confectionery division which was disposed of during the year ended 31 December 2003 and which is considered by the directors to be immaterial in relation to the group's total activity, none of the group's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

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

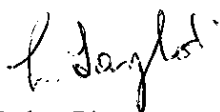
LES TAYLOR CONTRACTORS LIMITED

CONSOLIDATED BALANCE SHEET

31 December 2004

	Notes	2004 £	2003 £
FIXED ASSETS			
Intangible assets	8	(25,566)	(51,132)
Tangible assets	9	6,990,502	6,408,923
Investments	10	-	-
		<u>6,964,936</u>	<u>6,357,791</u>
CURRENT ASSETS			
Stocks	11	800,919	1,107,638
Debtors	12	4,200,719	4,214,834
Investments	13	361,075	-
Cash in hand		<u>1,849,829</u>	<u>1,487,365</u>
		<u>7,212,542</u>	<u>6,809,837</u>
CREDITORS			
Amounts falling due within one year	14	<u>4,928,320</u>	<u>4,671,159</u>
NET CURRENT ASSETS		<u>2,284,222</u>	<u>2,138,678</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,249,158</u>	<u>8,496,469</u>
CREDITORS			
Amounts falling due after more than one year	15	(598,576)	(421,106)
PROVISIONS FOR LIABILITIES AND CHARGES	19	<u>(543,287)</u>	<u>(582,399)</u>
		<u>8,107,295</u>	<u>7,492,964</u>
CAPITAL AND RESERVES			
Called up share capital	20	648,032	685,582
Share premium	21	771,614	771,614
Revaluation reserve	21	297,633	313,662
Capital redemption reserve	21	50,810	13,260
Profit and loss account	21	<u>6,339,206</u>	<u>5,708,846</u>
SHAREHOLDERS' FUNDS	25	<u>8,107,295</u>	<u>7,492,964</u>

ON BEHALF OF THE BOARD:



L P Taylor - Director

Approved by the Board on 4 August 2005

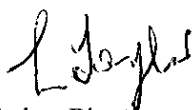
The notes form part of these financial statements

LES TAYLOR CONTRACTORS LIMITED

COMPANY BALANCE SHEET
31 December 2004

	Notes	2004 £	2003 £
FIXED ASSETS			
Intangible assets	8	-	-
Tangible assets	9	6,848,464	6,271,941
Investments	10	<u>488,198</u>	<u>518,198</u>
		7,336,662	6,790,139
CURRENT ASSETS			
Stocks	11	622,544	796,766
Debtors	12	3,999,379	4,058,968
Investments	13	361,075	-
Cash in hand		<u>1,849,829</u>	<u>1,487,365</u>
		6,832,827	6,343,099
CREDITORS			
Amounts falling due within one year	14	<u>6,252,042</u>	<u>5,676,855</u>
NET CURRENT ASSETS		<u>580,785</u>	<u>666,244</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,917,447	7,456,383
CREDITORS			
Amounts falling due after more than one year	15	(598,576)	(421,106)
PROVISIONS FOR LIABILITIES AND CHARGES	19	<u>(522,059)</u>	<u>(562,029)</u>
		<u>6,796,812</u>	<u>6,473,248</u>
CAPITAL AND RESERVES			
Called up share capital	20	648,032	685,582
Share premium	21	771,614	771,614
Revaluation reserve	21	297,633	313,662
Capital redemption reserve	21	50,810	13,260
Profit and loss account	21	<u>5,028,723</u>	<u>4,689,130</u>
SHAREHOLDERS' FUNDS	25	<u>6,796,812</u>	<u>6,473,248</u>

ON BEHALF OF THE BOARD:



L P Taylor - Director

Approved by the Board on 4 August 2005

The notes form part of these financial statements

LES TAYLOR CONTRACTORS LIMITED

**CASH FLOW STATEMENT
for the Year Ended 31 December 2004**

	Notes	2004 £	2003 £
Net cash inflow from operating activities	1	3,187,263	1,474,705
Returns on investments and servicing of finance	2	(17,789)	(74,127)
Taxation		(408,446)	(275,972)
Capital expenditure and financial investment	2	<u>(2,435,458)</u>	<u>(480,188)</u>
		325,570	644,418
Financing	2	<u>(173,195)</u>	<u>(544,269)</u>
Increase in cash in the period		<u>152,375</u>	<u>100,149</u>

**Reconciliation of net cash flow
to movement in net funds**

	3		
Increase in cash in the period		152,375	100,149
Cash outflow from increase in liquid resources		361,075	-
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		<u>(309,329)</u>	<u>738,697</u>
Change in net funds resulting from cash flows		204,121	838,846
New finance leases		-	<u>(364,434)</u>
Movement in net funds in the period		204,121	474,412
Net funds/(debt) at 1 January		<u>201,010</u>	<u>(273,402)</u>
Net funds at 31 December		<u>405,131</u>	<u>201,010</u>

The notes form part of these financial statements

LES TAYLOR CONTRACTORS LIMITED

**NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 December 2004**

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

	2004 £	2003 £
Operating profit	1,502,400	1,187,746
Depreciation charges	1,417,635	1,378,752
Loss on disposal of fixed assets	49,604	98,117
Decrease in stocks	306,719	300,158
Decrease/(Increase) in debtors	14,115	(1,173,757)
Decrease in creditors	<u>(103,210)</u>	<u>(316,311)</u>
Net cash inflow from operating activities	<u>3,187,263</u>	<u>1,474,705</u>

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

	2004 £	2003 £
Returns on investments and servicing of finance		
Interest received	70,817	51,233
Interest paid	(12,152)	(24,428)
Interest element of hire purchase payments	<u>(76,454)</u>	<u>(100,932)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(17,789)</u>	<u>(74,127)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(2,618,778)	(832,503)
Sale of tangible fixed assets	544,395	352,315
Purchase of current asset investments	<u>(361,075)</u>	<u>-</u>
Net cash outflow for capital expenditure and financial investment	<u>(2,435,458)</u>	<u>(480,188)</u>
Financing		
Capital repayments in year	309,329	(738,697)
Amount introduced by directors	-	194,428
Amount withdrawn by directors	(79,612)	-
Share buyback	<u>(402,912)</u>	<u>-</u>
Net cash outflow from financing	<u>(173,195)</u>	<u>(544,269)</u>

LES TAYLOR CONTRACTORS LIMITED

**NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 December 2004**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.04 £	Cash flow £	At 31.12.04 £
Net cash:			
Cash at bank and in hand	1,487,365	362,464	1,849,829
Bank overdraft	<u>(327,579)</u>	<u>(210,089)</u>	<u>(537,668)</u>
	<u>1,159,786</u>	<u>152,375</u>	<u>1,312,161</u>
Liquid resources:			
Current asset investments	<u>-</u>	<u>361,075</u>	<u>361,075</u>
	<u>-</u>	<u>361,075</u>	<u>361,075</u>
Debt:			
Hire purchase	<u>(958,776)</u>	<u>(309,329)</u>	<u>(1,268,105)</u>
	<u>(958,776)</u>	<u>(309,329)</u>	<u>(1,268,105)</u>
Total	<u>201,010</u>	<u>204,121</u>	<u>405,131</u>

The notes form part of these financial statements

LES TAYLOR CONTRACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 December 2004

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention 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, excluding value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2000, is being amortised evenly over its estimated useful life of five 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 and Over period of the lease
Plant and machinery	- 20% on reducing balance and 15% on reducing balance
Fixtures and fittings	- 33% on cost, 25% on cost, 20% on reducing balance and 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% 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.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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 as incurred.

Pensions

The group operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. STAFF COSTS

	2004	2003
	£	£
Wages and salaries	7,857,425	7,506,098
Social security costs	397,256	375,086
Other pension costs	443,830	184,064
	<u>8,698,511</u>	<u>8,065,248</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2004**

2. STAFF COSTS - continued

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

	2004	2003
Management	7	6
Administration	25	24
Drivers, labourers and plant operators	<u>241</u>	<u>242</u>
	<u>273</u>	<u>272</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2004 £	2003 £
Plant & equipment hire	595,370	472,991
Depreciation - owned assets	1,062,013	1,021,940
Depreciation - assets on hire purchase contracts	381,238	382,378
Loss on disposal of fixed assets	49,604	98,117
Goodwill amortisation	(25,566)	(25,566)
Auditors remuneration	<u>19,400</u>	<u>19,250</u>

Directors' emoluments	<u>542,414</u>	<u>564,688</u>
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Information regarding the highest paid director is as follows:

	2004 £	2003 £
Emoluments etc	<u>245,004</u>	<u>230,800</u>

4. EXCEPTIONAL ITEMS

Included within administrative expenses are exceptional items of £400,000 which comprise a loan of £200,000 due from Simon Gilmartin, a director of the company and a balance of £200,000 due from Dudley Developments Limited, both of which have been written off during the year.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2004 £	2003 £
Bank interest	12,152	24,428
Hire purchase	<u>76,454</u>	<u>100,932</u>
	<u>88,606</u>	<u>125,360</u>

6. TAXATION

Analysis of the tax charge

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

	2004 £	2003 £
Current tax:		
UK corporation tax	506,480	406,938
Deferred tax	<u>(39,112)</u>	<u>(69,841)</u>
Tax on profit on ordinary activities	<u>467,368</u>	<u>337,097</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2004

6. TAXATION - continued

Factors affecting the tax charge

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

	2004 £	2003 £
Profit on ordinary activities before tax	<u>1,484,611</u>	<u>1,113,619</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 29.798% (2003 - 30%)	442,384	334,086
Effects of:		
Effect of differences between depreciation and capital allowances	41,849	54,218
Loss on disposal of fixed assets	14,793	29,150
Non allowable expenses	14,651	1,981
Goodwill amortised	(7,618)	(7,670)
Income subject to capital gains, covered by losses brought forward	-	(5,085)
Subsidiary company non trading loss less diminution provision	<u>421</u>	<u>258</u>
Current tax charge	<u>506,480</u>	<u>406,938</u>

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 £726,476 (2003 - £335,804).

8. INTANGIBLE FIXED ASSETS

Group	Goodwill £
COST	
At 1 January 2004 and 31 December 2004	<u>(127,830)</u>
AMORTISATION	
At 1 January 2004	(76,698)
Amortisation for year	<u>(25,566)</u>
At 31 December 2004	<u>(102,264)</u>
NET BOOK VALUE	
At 31 December 2004	<u>(25,566)</u>
At 31 December 2003	<u>(51,132)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2004

9. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 January 2004	1,052,980	8,215,905	62,128
Additions	500,000	1,950,356	10,113
Disposals	-	(1,323,797)	(3,640)
At 31 December 2004	<u>1,552,980</u>	<u>8,842,464</u>	<u>68,601</u>
DEPRECIATION			
At 1 January 2004	238,223	3,238,380	36,709
Charge for year	48,702	1,123,809	11,509
Eliminated on disposal	-	(749,799)	(2,795)
At 31 December 2004	<u>286,925</u>	<u>3,612,390</u>	<u>45,423</u>
NET BOOK VALUE			
At 31 December 2004	<u>1,266,055</u>	<u>5,230,074</u>	<u>23,178</u>
At 31 December 2003	<u>814,757</u>	<u>4,977,525</u>	<u>25,419</u>
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 January 2004	1,020,801	99,064	10,450,878
Additions	158,309	-	2,618,778
Disposals	(77,023)	(17,500)	(1,421,960)
At 31 December 2004	<u>1,102,087</u>	<u>81,564</u>	<u>11,647,696</u>
DEPRECIATION			
At 1 January 2004	434,835	93,757	4,041,904
Charge for year	256,455	2,776	1,443,251
Eliminated on disposal	(57,867)	(17,500)	(827,961)
At 31 December 2004	<u>633,423</u>	<u>79,033</u>	<u>4,657,194</u>
NET BOOK VALUE			
At 31 December 2004	<u>468,664</u>	<u>2,531</u>	<u>6,990,502</u>
At 31 December 2003	<u>585,966</u>	<u>5,307</u>	<u>6,408,974</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2004

9. TANGIBLE FIXED ASSETS - continued

Group

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

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 January 2004	2,318,240	95,929	2,414,169
Additions	1,379,100	-	1,379,100
Transfer to ownership	(714,300)	-	(714,300)
At 31 December 2004	<u>2,983,040</u>	<u>95,929</u>	<u>3,078,969</u>
DEPRECIATION			
At 1 January 2004	602,642	15,955	618,597
Charge for year	357,256	23,982	381,238
Transfer to ownership	(239,916)	-	(239,916)
At 31 December 2004	<u>719,982</u>	<u>39,937</u>	<u>759,919</u>
NET BOOK VALUE			
At 31 December 2004	<u>2,263,058</u>	<u>55,992</u>	<u>2,319,050</u>
At 31 December 2003	<u>1,715,598</u>	<u>79,974</u>	<u>1,795,572</u>

Company

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST OR VALUATION			
At 1 January 2004	1,052,980	7,890,554	62,128
Additions	500,000	1,915,353	10,113
Disposals	-	(1,323,797)	(3,640)
At 31 December 2004	<u>1,552,980</u>	<u>8,482,110</u>	<u>68,601</u>
DEPRECIATION			
At 1 January 2004	238,223	3,042,525	36,709
Charge for year	48,702	1,095,732	11,509
Eliminated on disposal	-	(749,799)	(2,795)
At 31 December 2004	<u>286,925</u>	<u>3,388,458</u>	<u>45,423</u>
NET BOOK VALUE			
At 31 December 2004	<u>1,266,055</u>	<u>5,093,652</u>	<u>23,178</u>
At 31 December 2003	<u>814,757</u>	<u>4,848,029</u>	<u>25,419</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2004

9. TANGIBLE FIXED ASSETS - continued

Company

	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION			
At 1 January 2004	1,006,364	99,064	10,111,090
Additions	158,309	-	2,583,775
Disposals	(77,023)	(17,500)	(1,421,960)
At 31 December 2004	<u>1,087,650</u>	<u>81,564</u>	<u>11,272,905</u>
DEPRECIATION			
At 1 January 2004	427,885	93,757	3,839,099
Charge for year	254,584	2,776	1,413,303
Eliminated on disposal	(57,867)	(17,500)	(827,961)
At 31 December 2004	<u>624,602</u>	<u>79,033</u>	<u>4,424,441</u>
NET BOOK VALUE			
At 31 December 2004	<u>463,048</u>	<u>2,531</u>	<u>6,848,464</u>
At 31 December 2003	<u>578,479</u>	<u>5,307</u>	<u>6,271,991</u>

The freehold property and land was revalued in December 2000 by Aberdeen and Northern (Estates) Limited at £685,000. 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.

Cost or valuation at 31 December 2004 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £
Valuation in 1995	194,937	-	-
Valuation in 2000	205,801	-	-
Cost	<u>1,152,242</u>	<u>8,482,110</u>	<u>68,601</u>
	<u>1,552,980</u>	<u>8,482,110</u>	<u>68,601</u>

	Motor vehicles £	Computer equipment £	Totals £
Valuation in 1995	-	-	194,937
Valuation in 2000	-	-	205,801
Cost	<u>1,087,650</u>	<u>81,564</u>	<u>10,872,167</u>
	<u>1,087,650</u>	<u>81,564</u>	<u>11,272,905</u>

LES TAYLOR CONTRACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 December 2004

9. TANGIBLE FIXED ASSETS - continued

Company

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

	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 January 2004	2,318,240	95,929	2,414,169
Additions	1,379,100	-	1,379,100
Transfer to ownership	(714,300)	-	(714,300)
At 31 December 2004	<u>2,983,040</u>	<u>95,929</u>	<u>3,078,969</u>
DEPRECIATION			
At 1 January 2004	602,642	15,955	618,597
Charge for year	357,256	23,982	381,238
Transfer to ownership	(239,916)	-	(239,916)
At 31 December 2004	<u>719,982</u>	<u>39,937</u>	<u>759,919</u>
NET BOOK VALUE			
At 31 December 2004	<u>2,263,058</u>	<u>55,992</u>	<u>2,319,050</u>
At 31 December 2003	<u>1,715,598</u>	<u>79,974</u>	<u>1,795,572</u>

10. FIXED ASSET INVESTMENTS

Company

	Unlisted investments £
COST	
At 1 January 2004 and 31 December 2004	<u>518,198</u>
PROVISIONS	
Provision for year	<u>30,000</u>
At 31 December 2004	<u>30,000</u>
NET BOOK VALUE	
At 31 December 2004	<u>488,198</u>
At 31 December 2003	<u>518,198</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

	% holding	2004 £	2003 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		1,824,205	1,557,576
Profit for the year		<u>266,629</u>	<u>416,011</u>

LES TAYLOR CONTRACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 December 2004

10. FIXED ASSET INVESTMENTS - continued

Les Taylor Construction Limited
Nature of business: Civil engineering

Class of shares:	% holding	2004	2003
Ordinary £1	100.00	£	£
Aggregate capital and reserves		43	31,469
Loss for the year		<u>(31,426)</u>	<u>(861)</u>

11. STOCKS

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Raw materials and consumables	15,000	15,000	15,000	15,000
Work-in-progress	<u>785,919</u>	<u>1,092,638</u>	<u>607,544</u>	<u>781,766</u>
	<u>800,919</u>	<u>1,107,638</u>	<u>622,544</u>	<u>796,766</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Trade debtors	3,526,379	3,246,788	3,326,709	3,111,759
Other debtors	30,287	374,206	28,617	363,066
Amounts due from associated undertakings	568,222	535,332	568,222	535,332
Accrued income	25,698	-	25,698	-
Prepayments	<u>50,133</u>	<u>58,508</u>	<u>50,133</u>	<u>48,811</u>
	<u>4,200,719</u>	<u>4,214,834</u>	<u>3,999,379</u>	<u>4,058,968</u>

13. CURRENT ASSET INVESTMENTS

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Listed investments	<u>361,075</u>	<u>-</u>	<u>361,075</u>	<u>-</u>

Market value of listed investments at 31 December 2004 held by the group and the company - £376,730.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2004

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Bank loans and overdrafts (see note 16)	537,668	327,579	513,507	629,281
Hire purchase contracts (see note 17)	669,529	537,670	669,529	537,670
Trade creditors	1,931,745	1,803,176	1,904,388	1,722,117
Tax	506,480	408,446	397,282	225,852
Social security and other taxes	593,538	800,010	472,535	701,428
Other creditors	2,848	46,334	2,038	3,737
Amounts owed to group undertakings	-	-	1,648,241	1,121,963
Directors' current accounts	236,413	316,025	236,413	316,025
Accruals & deferred income	450,099	431,919	408,109	418,782
	<u>4,928,320</u>	<u>4,671,159</u>	<u>6,252,042</u>	<u>5,676,855</u>

Directors' loans of £236,413 comprise balances of £235,930 (2003: £242,347) due to Mr L P Taylor and £483 (2003: £73,678) due to Mr S P Gilmartin.

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

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Hire purchase contracts (see note 17)	<u>598,576</u>	<u>421,106</u>	<u>598,576</u>	<u>421,106</u>

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	<u>537,668</u>	<u>327,579</u>	<u>513,507</u>	<u>629,281</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2004

17. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts	
	2004 £	2003 £
Gross obligations repayable:		
Within one year	724,881	595,532
Between one and five years	<u>622,389</u>	<u>440,966</u>
	<u>1,347,270</u>	<u>1,036,498</u>
Finance charges repayable:		
Within one year	55,352	57,862
Between one and five years	<u>23,813</u>	<u>19,860</u>
	<u>79,165</u>	<u>77,722</u>
Net obligations repayable:		
Within one year	669,529	537,670
Between one and five years	<u>598,576</u>	<u>421,106</u>
	<u>1,268,105</u>	<u>958,776</u>

Company

	Hire purchase contracts	
	2004 £	2003 £
Gross obligations repayable:		
Within one year	724,881	595,532
Between one and five years	<u>622,389</u>	<u>440,966</u>
	<u>1,347,270</u>	<u>1,036,498</u>
Finance charges repayable:		
Within one year	55,352	57,862
Between one and five years	<u>23,813</u>	<u>19,860</u>
	<u>79,165</u>	<u>77,722</u>
Net obligations repayable:		
Within one year	669,529	537,670
Between one and five years	<u>598,576</u>	<u>421,106</u>
	<u>1,268,105</u>	<u>958,776</u>

LES TAYLOR CONTRACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 December 2004

17. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued

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

Group

	Other operating leases	
	2004 £	2003 £
Expiring:		
Within one year	26,005	6,750
Between one and five years	<u>3,828</u>	<u>26,005</u>
	<u>29,833</u>	<u>32,755</u>

Company

	Other operating leases	
	2004 £	2003 £
Expiring:		
Within one year	26,005	6,750
Between one and five years	<u>3,828</u>	<u>26,005</u>
	<u>29,833</u>	<u>32,755</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2004 £	2003 £	2004 £	2003 £
Bank overdrafts	<u>537,668</u>	<u>-</u>	<u>513,507</u>	<u>629,281</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.

19. PROVISION FOR LIABILITIES AND CHARGES

	Group		Company	
	2004 £	2003 £	2004 £	2003 £
Deferred tax	<u>543,287</u>	<u>582,399</u>	<u>522,059</u>	<u>562,029</u>

Group

	Deferred tax £
Balance at 1 January 2004	582,399
Accelerated capital allowances	<u>(39,112)</u>
Balance at 31 December 2004	<u>543,287</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2004

19. PROVISION FOR LIABILITIES AND CHARGES - continued

Company

	Deferred tax £
Balance at 1 January 2004	562,029
Accelerated Capital Allowances	<u>(39,970)</u>
Balance at 31 December 2004	<u>522,059</u>

20. CALLED UP SHARE CAPITAL

Authorised:		Nominal value:	2004	2003
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:		Nominal value:	2004	2003
Number:	Class:		£	£
647,932	Ordinary "A"	£1	647,932	685,482
(2003 - 685,482)				
100	Ordinary "B"	£1	<u>100</u>	<u>100</u>
			<u>648,032</u>	<u>685,582</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 FINANCIAL STATEMENTS - continued for the Year Ended 31 December 2004

21. RESERVES

Group	Profit and loss account £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 January 2004	5,708,846	771,614	313,662	13,260	6,807,382
Retained profit for the year	1,017,243	-	-	-	1,017,243
Purchase of own shares	(402,912)	-	-	37,550	(365,362)
Transferred to profit & loss account in line with depreciation	16,029	-	(16,029)	-	-
At 31 December 2004	<u>6,339,206</u>	<u>771,614</u>	<u>297,633</u>	<u>50,810</u>	<u>7,459,263</u>

Company	Profit and loss account £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 January 2004	4,689,130	771,614	313,662	13,260	5,787,666
Retained profit for the year	726,476	-	-	-	726,476
Purchase of own shares	(402,912)	-	-	37,550	(365,362)
Transferred to profit & loss account in line with depreciation	16,029	-	(16,029)	-	-
At 31 December 2004	<u>5,028,723</u>	<u>771,614</u>	<u>297,633</u>	<u>50,810</u>	<u>6,148,780</u>

22. CONTINGENT LIABILITIES

A cross guarantee is held by the Bank of Scotland in respect of all sums owed by Les Taylor Contractors Limited and J G Fowle (Contractors) Limited.

23. RELATED PARTY DISCLOSURES

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

J G Fowle (Contractors) Limited - wholly owned subsidiary of the company
 Les Taylor Construction Limited - wholly owned subsidiary of the company
 Terranova (Peterhead) Limited - a company controlled equally by L P Taylor and S P Gilmartin, directors and shareholders of the company.

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

The company made sales of £563,135 (2003: £1,354,450) to and purchases of £260,718 (2003: £371,489) from J G Fowle (Contractors) Limited. At the balance sheet date the company owed J G Fowle (Contractors) Limited a net amount of £1,490,215 (2003: £876,716).

At 31 December 2004 the company had an outstanding loan due from Terranova (Peterhead) Limited of £568,222 (2003: £535,332). This loan is not subject to any formal agreement or repayment terms. A loan due to Les Taylor Construction Limited of £31,422 (2003: £31,422) was written off during the year as Les Taylor Construction Limited has remained dormant since it ceased to trade and any repayment of the loan would be returned to the parent company by way of dividend.

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

24. ULTIMATE CONTROLLING PARTY

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

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2004

25. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group	2004 £	2003 £
Profit for the financial year	1,017,243	776,522
Purchase of own "A" shares	<u>(402,912)</u>	<u>-</u>
Net addition to shareholders' funds	614,331	776,522
Opening shareholders' funds	<u>7,492,964</u>	<u>6,716,442</u>
Closing shareholders' funds	<u>8,107,295</u>	<u>7,492,964</u>
Equity interests	<u>8,107,295</u>	<u>7,492,964</u>
Company	2004 £	2003 £
Profit for the financial year	726,476	335,804
Purchase of own "A" shares	<u>(402,912)</u>	<u>-</u>
Net addition to shareholders' funds	323,564	335,804
Opening shareholders' funds	<u>6,473,248</u>	<u>6,137,444</u>
Closing shareholders' funds	<u>6,796,812</u>	<u>6,473,248</u>
Equity interests	<u>6,796,812</u>	<u>6,473,248</u>