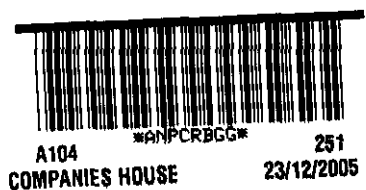


Taylor Davis Limited

Company Number 978584

TAYLOR DAVIS LIMITED
REPORT AND ACCOUNTS
31st MARCH 2005



COMPANIES HOUSE 15/12/2005

FINLEY & PARTNERS
Chartered Accountants
Tubs Hill House
London Road
Sevenoaks, Kent

TAYLOR DAVIS LIMITED
REPORT OF THE DIRECTORS

The directors present their report and the audited accounts for the year ended 31st March 2005.

ACTIVITIES

The principal activities of the company continued to be those of storage, warehousing, distribution and wholesaling agents.

RESULTS AND REVIEW OF BUSINESS

The operating profit for the year, after taxation amounted to £386,230. The company has paid a dividend of £300,000 to the holding company.

DIRECTORS AND THEIR INTERESTS

The directors who held office during the year were as follows:

B R Atkinson
Mrs P J Atkinson
C R Atkinson
R F James
J D Cawte (appointed 25th June 2004)
S P Merrifield (resigned 25th May 2004)

B R Atkinson, Mrs P J Atkinson and C R Atkinson have an indirect interest in the company by reason of their shareholding in the holding company.

HOLDING COMPANY

The company is a wholly owned subsidiary of Atkinson Equipment Limited, a company registered in England and Wales.

TAYLOR DAVIS LIMITED
REPORT OF THE DIRECTORS
(Continued)

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of its result for that year. In preparing those accounts, the directors are required to:

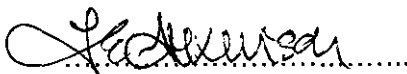
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates which are reasonable and prudent,
- state whether applicable accounting standards have been followed,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

AUDITORS

A resolution proposing the reappointment of the auditors, Finley & Partners, will be submitted to the shareholders at the annual general meeting.

By order of the Board


Secretary

12 December 2005

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
TAYLOR DAVIS LIMITED**

We have audited the financial statements of Taylor Davis Limited for the year ended 31st March 2005 which comprise the Profit and Loss Account, Balance Sheet and related notes. 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 directors and auditors

As described in the Statement of Directors' Responsibilities 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 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 the implications for our report if we become aware of any apparent misstatements within it.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
TAYLOR DAVIS LIMITED**

(Continued)

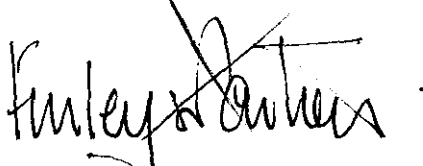
Basis of audit opinion

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 the company's affairs as at 31st March 2005 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



FINLEY & PARTNERS
Registered Auditor
Chartered Accountants
Sevenoaks, Kent.

12 December 2005

TAYLOR DAVIS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH 2005

	Notes	2005 £	2004 £
TURNOVER		9,370,359	9,152,351
Cost of sales		7,459,815	7,374,455
		<hr/>	<hr/>
GROSS PROFIT		1,910,544	1,777,896
Distribution costs	611,740		637,532
Administrative expenses	804,944		724,820
		<hr/>	<hr/>
		1,416,684	1,362,352
		<hr/>	<hr/>
OPERATING PROFIT	2	493,860	415,544
Interest receivable		11,282	12,896
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		505,142	428,440
Taxation	5	118,912	128,548
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		386,230	299,892
Dividend to holding company		300,000	250,000
		<hr/>	<hr/>
		86,230	49,892
Retained profit brought forward		747,859	697,967
		<hr/>	<hr/>
RETAINED PROFIT CARRIED FORWARD		£ 834,089	£ 747,859
		<hr/>	<hr/>

All of the company's operations are classed as continuing.

The company has no recognised gains or losses other than the profit for the year.

TAYLOR DAVIS LIMITED

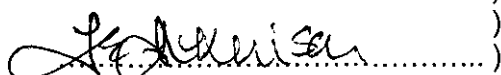
BALANCE SHEET

AT 31st MARCH 2005

	Notes	£	2005 £	£	2004 £
TANGIBLE FIXED ASSETS	6		339,402		328,987
CURRENT ASSETS					
Stock		805,204		555,113	
Debtors	7	1,716,341		1,667,678	
Cash at bank and in hand		1,531,342		705,377	
			4,052,887	2,928,168	
CREDITORS: Amounts falling due within one year	8	3,515,200		2,465,296	
NET CURRENT ASSETS			537,687		462,872
TOTAL ASSETS LESS CURRENT LIABILITIES			877,089		791,859
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation	9	28,000		29,000	
			£ 849,089	£ 762,859	
CAPITAL AND RESERVES					
Called up share capital	10	15,000		15,000	
Profit and loss account		834,089		747,859	
Shareholders' funds			£ 849,089	£ 762,859	



) Directors



Approved by the Board: 12 December 2005

TAYLOR DAVIS LIMITED
NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

Turnover

Turnover comprises the invoice value of goods and services supplied by the company exclusive of value added tax.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value, of each asset over its estimated useful life as follows:

Plant	-	over five years
Office furniture, fixtures and fittings	-	10% per annum
Motor vehicles	-	25% and 35% per annum

Stock

Stock is stated at the lower of cost and net realisable value.

Deferred taxation

Tax deferred by the effect of timing differences is accounted for in full under the liability method.

Foreign currencies

Assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the exchange rate in operation on the date on which the transaction occurred. Exchange differences are taken to the profit and loss account.

2. OPERATING PROFIT

	Notes	2005 £	2004 £
Operating profit is stated after charging:			
Depreciation of tangible fixed assets		97,686	90,206
Auditors' remuneration		8,500	8,000
Staff costs	3	972,427	1,040,277
Directors' remuneration and pension contributions		150,851	149,588
		<hr/>	<hr/>

TAYLOR DAVIS LIMITED
NOTES TO THE ACCOUNTS
(Continued)

3. STAFF COSTS

	2005	2004
	£	£
Staff costs, excluding directors, may be analysed as follows:		
Wages and salaries	862,655	925,924
Social security costs (including directors)	105,671	108,301
Pension contributions	4,101	6,052
	<hr/>	<hr/>
	£ 972,427	£ 1,040,277
	<hr/>	<hr/>
The average number of employees during the year was:		
	40	40
	<hr/>	<hr/>

4. PENSION SCHEME

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund. Contributions to the scheme are recognised in the period in which they are incurred and amounted to £5,333 in the year ended 31st March 2005 (2004: £7,326).

5. TAXATION

	2005	2004
	£	£
Current tax charge for the year	135,000	128,000
Transfer (from)/to deferred taxation account	(1,000)	1,200
Prior years' adjustment	(15,088)	(652)
	<hr/>	<hr/>
	£ 118,912	£ 128,548
	<hr/>	<hr/>

TAYLOR DAVIS LIMITED
NOTES TO THE ACCOUNTS
(Continued)

5. **TAXATION** (continued)

Reconciliation of current tax charge for the year

	2005		2004	
	£	£	£	£
Profit on ordinary activities		505,142		428,440
		<u> </u>		<u> </u>
Taxation on ordinary activities at 30%		151,543		128,532
Effects of:				
Non deductible expenses	1,137		(532)	
Marginal rate relief	(17,680)		-	
	<u> </u>	(16,543)	<u> </u>	(532)
		<u> </u>		<u> </u>
		£ 135,000		£ 128,000
		<u> </u>		<u> </u>

TAYLOR DAVIS LIMITED
NOTES TO THE ACCOUNTS
(Continued)

6. TANGIBLE FIXED ASSETS

	Plant	Office Furniture Fixtures & Fittings	Motor Vehicles	Total
	£	£	£	£
Cost:				
At 1 st April 2004	110,354	124,220	548,539	783,113
Additions	17,690	-	99,434	117,124
Disposals	(-)	(-)	(81,886)	(81,886)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2005	128,044	124,220	566,087	818,351
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation:				
At 1 st April 2004	82,873	85,433	285,820	454,126
Charge for the year	12,966	10,252	74,468	97,686
Eliminated on disposals	(-)	(-)	(72,863)	(72,863)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2005	95,839	95,685	287,425	478,949
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value:				
At 31 st March 2005	£ 32,205	£ 28,535	£ 278,662	£ 339,402
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2004	£ 27,481	£ 38,787	£ 262,719	£ 328,987
	<hr/>	<hr/>	<hr/>	<hr/>

7. DEBTORS

	2005 £	2004 £
Trade debtors	1,670,446	1,624,704
Prepayments	45,895	42,974
	<hr/>	<hr/>
	£ 1,716,341	£ 1,667,678
	<hr/>	<hr/>

TAYLOR DAVIS LIMITED
NOTES TO THE ACCOUNTS
(Continued)

8. **CREDITORS:** Amounts falling due
within one year

	2005 £	2004 £
Amount owed to holding company	1,522,559	239,280
Trade creditors	1,407,266	1,362,038
Taxation and social security	479,353	445,865
Accruals	106,022	168,113
Proposed dividend	-	250,000
	<hr/>	<hr/>
	£ 3,515,200	£ 2,465,296
	<hr/>	<hr/>

9. **DEFERRED TAXATION**

The movement is as follows:

	2005 £	2004 £
Provision brought forward	29,000	27,800
Transfer (to)/from Profit and Loss Account	(1,000)	1,200
	<hr/>	<hr/>
Provision carried forward	£ 28,000	£ 29,000
	<hr/>	<hr/>

10. **SHARE CAPITAL**

	2005	2004
Authorised 15,000 Ordinary shares of £1 each	£ 15,000	£ 15,000
	<hr/>	<hr/>
Allotted, issued and fully paid 15,000 Ordinary shares of £1 each	£ 15,000	£ 15,000
	<hr/>	<hr/>

TAYLOR DAVIS LIMITED
NOTES TO THE ACCOUNTS
(Continued)

11. RECONCILIATION OF MOVEMENT ON SHAREHOLDERS FUNDS

	2005 £	2004 £
Shareholders' funds at 1 st April 2004	762,859	712,967
Profit for the year	505,142	428,440
Taxation	(118,912)	(128,548)
Dividend	(300,000)	(250,000)
	<hr/>	<hr/>
Shareholders' funds at 31 st March 2005	£849,089	£ 762,859
	<hr/>	<hr/>

12. HOLDING COMPANY

The company is a wholly owned subsidiary of Atkinson Equipment Limited, a company registered in England and Wales.

13. CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS

- (a) The company has guaranteed any overdraft arising in the holding company.
- (b) The company has given security to H M Customs & Excise in respect of deferred duty amounting to £20,000.

14. RELATED PARTY TRANSACTIONS

The company is controlled by its holding company Atkinson Equipment Limited. The company is not required to disclose transactions with the holding company under the provisions of Financial Reporting Standard No. 8 as its financial statements are consolidated within the group financial statements.