

FIRTHGLOW LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2007

WHITING & PARTNERS

CHARTERED ACCOUNTANTS & REGISTERED AUDITORS

EAGLE HOUSE, GREAT WHYTE

RAMSEY, PETERBOROUGH

PE26 1HB

WEDNESDAY



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COMPANIES HOUSE

FIRTHGLOW LIMITED

REPORT AND FINANCIAL STATEMENTS

31 MARCH 2007

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FIRTHGLOW LIMITED

COMPANY INFORMATION

COMPANY NUMBER

01468898

DIRECTOR

G B Turner

SECRETARY

Mrs L O'Regan

REGISTERED OFFICE:

48 Papyrus Road
Werrington
Peterborough
PE4 5BH

AUDITORS

Whiting & Partners
Chartered Accountants &
Registered Auditors
Eagle House, Great Whyte
Ramsey
Cambridgeshire
PE26 1HB

BANKERS

Barclays Bank Plc
1 Church Street
Peterborough
PE1 1QP

SOLICITORS

Hunt & Coombs
35 Thorpe Road
Peterborough
PE3 6AG

FIRTHGLOW LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2007

FINANCIAL STATEMENTS

The director presents his Report and the audited financial statements of the company Firthglow Limited for the year ended 31 March 2007

PRINCIPAL ACTIVITIES

The principal activity of the company is one of sales and marketing. During the year under review the main products actively marketed were external wall coatings and stone facing.

The company also manufactures reconstituted stone tiles for use in stone facing. In addition, the company derives an income from providers of finance for arranging loans to enable customers to fund their purchase.

REVIEW OF THE BUSINESS & RESULTS

The Director is pleased to report an improvement in turnover (albeit marginal) and significant improvement in profitability.

The company has continued to experiment with alternative means of expanding the sales force. This is manifesting positively both in this area and in the management. Thus, improvement to trade can be reasonably anticipated.

OUTLOOK

The outlook for the foreseeable future is very positive.

SUPPLY CHAIN

The company adopts a serious approach to its performance standards and also to Health & Safety and Environmental issues. It takes an active role in communicating (and compliance with) its expectations to its approved suppliers of products and services.

ORGANISATIONAL STRUCTURES

A clear organisational structure exists, detailing lines of authority, control and responsibilities. The competence and ethics of staff are maintained from inception by rigorous recruitment policies, and also through early identification (and rewards) of performance with relation to targets.

Appropriate training requirements are addressed to ensure that staff develop and maintain the required knowledge, skills and ethics. The company is committed to ensuring that independent contractors adhere to the company's set policies and standards, including health and safety issues as stated under 'Supply Chain' above.

FIRTHGLOW LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2007 (Cont.)

FIXED ASSETS

Details of movements in fixed assets during the year are set out in Note 10 to the financial statements

SHARE CAPITAL

During the year the Authorised Share Capital was increased to £1m (1 million ordinary shares of £1 each) and additional shares were allotted as follows

400,000 Ordinary Shares of £1 each at nominal value, thus increasing the company's issued share capital as follows

500,000 Ordinary Shares of £1 each at nominal value

DIRECTOR

The director in office throughout the year and his beneficial interest in the issued ordinary share capital of the company was as follows

	<u>At 31 March 2007</u>	<u>At 31 March 2006</u>
	<u>Ordinary Shares of £1 Each</u>	<u>Ordinary Shares of £1 Each</u>
G B Turner	<u>25000</u>	<u>25000</u>

In addition Mr G B Turner has a holding of 9,799 ordinary shares of £1 each (97.99% of the issued share capital) in Turner Enterprises Limited, which company owns 475,000 issued ordinary shares (95% of the issued share capital) of £1 each of Firthglow Limited

POLITICAL AND CHARITABLE CONTRIBUTIONS

Charitable donations during the year amounted to £690. There were no political donations.

GOING CONCERN

After making enquiries (see next paragraph), the director has a reasonable expectation that the company has adequate group support and resources to continue in operational existence for the foreseeable future. For this reason the company continues to adopt the going concern basis in preparing the financial statement.

The holding company has pledged its support and the recent revaluation of its own properties has revealed positive increases. The cross guarantees and increased asset base further suggests that the normal credit facilities will also continue from its bankers.

AUDITORS

In accordance with Section 385(2) of the Companies Act 1985, a resolution proposing that Messrs Whiting & Partners be reappointed as Auditors and to authorise the director to determine their remuneration will be put to the Annual General Meeting.

FIRTHGLOW LIMITED**DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2007 (Cont.)**

The Director's Report appearing on pages 2 and 3 was approved by the Board on the date given hereunder



GEOFFREY BERNARD TURNER
DIRECTOR



DATE

FIRTHGLOW LIMITED**STATEMENT OF DIRECTOR'S RESPONSIBILITY****YEAR ENDED 31 MARCH 2007**

The director is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements, the director is required to

- Select suitable accounting policies, as described on pages 12 to 13 and then apply them consistently,
- Make judgements and estimates that are reasonable,
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The Director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. The director is 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

In so far as the director is aware

- There is no relevant audit information of which the company's auditors are unaware, and
- The director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information

Acknowledged by the Director



GEOFFREY BERNARD TURNER
DIRECTOR

29 JANUARY 2008

DATE

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF FIRTHGLOW LIMITED
YEAR ENDED 31 MARCH 2007

We have audited the financial statements of Firthglow Limited for the year ended 31 March 2007 on pages 7 to 21 which have been prepared under the historical cost convention and the accounting policies set out on pages 12 to 13

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, for this report, or for the opinions we have formed.

Respective Responsibilities of the Directors and the Auditors

As described in the Statement of Director's Responsibilities, the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing.

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, and whether the information given in the Director's Report is consistent with the financial statements. We also 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 directors' report and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and

The information given in the Director's Report is consistent with the financial statements


 Registered Auditors
 WHITING & PARTNERS
 Eagle House, Great Whyte, Ramsey, PE26 1HB

29 JANUARY 2008
 Date

FIRTHGLOW LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2007

	<u>NOTE</u>	<u>2007</u> <u>£</u>	<u>2006</u> <u>£</u>
<u>TURNOVER</u>	1	7,880,891	7,649,074
Cost of Sales		(2,712,467)	(2,808,263)
<u>GROSS PROFIT</u>		5,168,424	4,840,811
Administrative and Other Expenses	2	(5,423,492)	(5,237,045)
<u>OPERATING (LOSS)</u>	5	(255,068)	(396,234)
Other operating income		19,796	-
Other interest receivable and similar income	6	24	985
Interest payable	7	(31,130)	(40,138)
<u>(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		(266,378)	(435,387)
Tax on loss on ordinary activities	8	-	8,185
<u>(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION BEING RESULT FOR THE FINANCIAL YEAR</u>		<u>(266,378)</u>	<u>(427,202)</u>

Reconciliation of Movements in Shareholders funds appear in note 18 to the financial statements

Notes

- 1 Apart from the loss for the financial year there are no other recognised gains or losses
- 2 The operations above are all considered to be continuing

The notes on pages 14 to 21 form part of these financial statements

FIRTHGLOW LIMITED

BALANCE SHEET AS AT 31 MARCH 2007

	<u>NOTE</u>	<u>2007</u> <u>£</u>	<u>2006</u> <u>£</u>
<u>FIXED ASSETS</u>			
Tangible Assets	10	511,881	659,506
TOTAL FIXED ASSETS		<u>511,881</u>	<u>659,506</u>
<u>CURRENT ASSETS</u>			
Stock	11	109,328	104,331
Debtors	12	1,032,065	1,116,471
Cash at Bank and in Hand		-	96
TOTAL CURRENT ASSETS		<u>1,141,393</u>	<u>1,220,898</u>
CREDITORS Amounts Falling Due Within One Year	13	(1,217,798)	(1,506,688)
<u>NET CURRENT (LIABILITIES)</u>		<u>(76,405)</u>	<u>(285,790)</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		435,476	373,716
CREDITORS Amounts Falling Due After More Than One Year	15	(26,350)	(98,212)
NET ASSETS EMPLOYED		<u>409,126</u>	<u>275,504</u>
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	16	500,000	100,000
Profit and Loss Account	17	(90,874)	175,504
EQUITY SHAREHOLDERS FUNDS	18	<u>409,126</u>	<u>275,504</u>

The financial statements on pages 7 to 21 were approved by the Board on the date given hereunder


The notes on pages 14 to 21 form part of these financial statements

FIRTHGLOW LIMITED**BALANCE SHEET AS AT 31 MARCH 2007 (Cont.)**

The financial statements on pages 7 to 22 were approved by the Board on the date given hereunder



GEOFFREY BERNARD TURNER
DIRECTOR



DATE

FIRTHGLOW LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED AT 31 MARCH 2007

	<u>2007</u> £	<u>2006</u> £
<u>RECONCILIATION OF OPERATING PROFIT</u>		
<u>TO NET CASH INFLOW FROM</u>		
<u>OPERATING ACTIVITIES</u>		
Operating (Loss)	(255,068)	(396,234)
Depreciation Charges Inc Loss on Sales of Fixed Assets	185,845	281,846
(Increase)/Decrease in Stock	(4,997)	525
Decrease in Debtors	84,406	304,606
(Decrease)/Increase in Creditors	(141,055)	48,674
<u>Net Cash (Outflow)/Inflow from Operating Activities</u>	<u>(130,869)</u>	<u>239,417</u>
 <u>CASH FLOW STATEMENT</u>		
Net Cash (Outflow)/Inflow from Operating Activities	(130,869)	239,417
Returns on Investments and Servicing of Finance (Note 1)	(31,106)	(39,153)
Taxation	-	(8,185)
Capital Expenditure (Note 1)	(310,417)	(549,385)
Other Operating Income	19,796	-
Issue of Shares	400,000	-
	<u>(52,596)</u>	<u>(357,306)</u>
Equity Dividend Paid	-	-
	<u>(52,596)</u>	<u>(357,306)</u>
Financing - Hire Purchase	52,500	220,000
	<u>(96)</u>	<u>(137,306)</u>
 <u>RECONCILIATION OF NET CASH FLOW TO</u>		
<u>MOVEMENT IN NET DEBT (NOTE 2)</u>		
(Decrease)/Increase in Cash in the Period		
/ Change in Net Debt	(96)	(137,306)
Net Funds/(Debt) at 1 April 2006	96	137,402
Net Funds/(Debt) at 31 March 2007	<u>-</u>	<u>96</u>

The notes on pages 15 to 22 form part of these financial statements

FIRTHGLOW LIMITED

NOTES TO CASH FLOW STATEMENT FOR THE YEAR ENDED AT 31 MARCH 2007

	<u>2007</u> £	<u>2006</u> £
NOTE 1:		
<u>GROSS CASH FLOWS</u>		
<u>Returns on Investments and Servicing of Finance</u>		
Interest Received	24	985
Interest Paid	(9,040)	(5,308)
Interest Paid on Hire Purchase Finance	(22,090)	(34,830)
	<u>(31,106)</u>	<u>(39,153)</u>
<u>Capital Expenditure</u>		
Capital Repayment on Hire Purchase Finance	(272,197)	(341,476)
Payment to Acquire Tangible Fixed Assets	(76,170)	(305,393)
Receipts From Sales of Tangible Fixed Assets	37,950	97,484
	<u>(310,417)</u>	<u>(549,385)</u>

NOTE 2:

ANALYSIS OF CHANGES IN NET DEBT

	<u>At 1 April</u> <u>2006</u> £	<u>Cash</u> <u>Flows</u> £	<u>At 31 March</u> <u>2007</u> £
Cash at Bank and in Hand	<u>96</u>	<u>(96)</u>	<u>-</u>

The notes on pages 15 to 22 form part of these financial statements

FIRTHGLOW LIMITED

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2007

(a) Accounting Convention

The financial statements have been prepared in accordance with the Historical Cost Convention and the applicable accounting standards. Certain adjustments have been made to comparative figures to make them consistent with the current year.

The principal accounting policies are set out below.

(b) Turnover

Turnover represents the fair value of goods and services provided during the year on customers' installation contracts.

Turnover (and profit) is recognised as contract activity progresses and the right to consideration is earned.

Fair value reflects the amount expected to be receivable from customers and is based on the materials utilised, time spent and expenses incurred.

Turnover excludes value added tax.

(c) Depreciation

Tangible fixed assets are stated at original cost less accumulated depreciation.

Depreciation is provided each year in order to write off the cost of fixed assets evenly over their anticipated useful lives. The rates used are:

Plant and Machinery	- 25% Reducing Balance
Motor Vehicles	- 25% Reducing Balance
Office Furniture and Equipment	- 25% Reducing Balance

(d) Leasing and Hire Purchase Commitments

Assets obtained under hire purchase contracts and leases which result in the transfer to the company of substantially all the risks and rewards of ownership (finance leases) are capitalised as tangible fixed assets at the estimated present value of underlying lease payments and are depreciated in accordance with the above policy. Obligations under such agreements are included in Creditors net of finance charges allocated to future periods. The finance element of the rental payments is charged to the Profit and Loss Account over the period of the lease or hire purchase contract so as to produce a constant periodic rate of charge on the outstanding balance of the net obligation in each period.

Rentals paid under other leases (operating leases) are charged against income on a straight line basis over the lease term.

FIRTHGLOW LIMITED

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2007 (CONT.)

(e) Stock

Stock is stated at the lower of cost and estimated net realisable value. Cost is determined on a first-in first-out basis.

Net realisable value is based on the estimated selling price after taking into account all further costs expected to be incurred on completion and disposal.

(f) Work in Progress (see also note 1 (b))

Any installations in progress take in to account the value of goods, services, materials and profits earned and are reflected in the turnover.

(g) Taxation

The charge for taxation is based on taxable profit for the year and takes into account Deferred Taxation.

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at rates expected to apply when they reverse based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. 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.

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for Taxation and Accounting purposes.

(h) Pension Costs

The company operates a Self Administered Pension Scheme. The assets of the scheme are held separately from the company, and the funds are administered independently by the trustees of the scheme. These funds are audited by different auditors to that of the company.

(i) Compliance with Accounting Standards

The financial statements have been prepared in accordance with UK generally applicable accounting and financial reporting standards.

FIRTHGLOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

1 ANALYSIS OF TURNOVER

BY CLASS OF BUSINESS

Turnover on ordinary activities (which were all carried out in UK) before Taxation analysed according to the different classes of the company's business

	<u>2007</u> £	<u>2006</u> £
Installation of wall coatings and facing	7,486,044	7,261,751
Commissions on arranging finance	394,847	387,323
	<u>7,880,891</u>	<u>7,649,074</u>

2 ADMINISTRATIVE AND OTHER EXPENSES

	<u>2007</u> £	<u>2006</u> £
Staff Costs (Note 3)	1,680,887	1,499,934
Depreciation of Tangible Fixed Assets	170,634	219,648
Other External Charges	3,571,971	3,517,463
	<u>5,423,492</u>	<u>5,237,045</u>

3 EMPLOYEES AND DIRECTOR

(a) **Employees**

	<u>2007</u> <u>No</u>	<u>2006</u> <u>No.</u>
Average number of employees (including director) employed by the company during the financial period analysed by occupation was		
Operatives	19	17
Administration	44	39
Sales	48	46
	<u>111</u>	<u>102</u>

FIRTHGLOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

	<u>2007</u>	<u>2006</u>
	<u>£</u>	<u>£</u>
Costs in respect of these employees		
Wages and salaries	1,538,824	1,372,604
Social Security Costs	141,675	126,149
Benefits in Kind	388	1,181
	<u>1,680,887</u>	<u>1,499,934</u>
	<u>2007</u>	<u>2006</u>
	<u>£</u>	<u>£</u>
(b) Director's Emoluments		
Management Remuneration	57,200	57,200
Benefits in Kind	388	388
	<u>57,588</u>	<u>57,588</u>

No benefit accrued to the director, personally, under any pension arrangement

4 **RELATED PARTY TRANSACTIONS**

(a) **Rent Payable to Holding Company**

The company occupies a building on an industrial estate owned by the Holding company. The rent charged is £25,000 (2006 £25,000). It is estimated that the market rent for the year would have been the same. The director considers that this is in keeping with the holding company's fundamental responsibilities of providing support at the time of need to its subsidiary. The Holding company holds 95% (2006 75%) of the issued share capital of the company.

(b) **Loan from Director's Pension Fund**

The company has borrowed, on normal commercial terms, from 'Firthglow Ltd Retirement Benefit Scheme'. The amount borrowed appears in Note 13 to the Financial Statements.

(c) **Marketing Services**

During the year sales and marketing services were provided by J T Marketing Consultants. This business is owned by the director's wife, Mrs J Turner. The services provided amounted to £46,710 and were, in the opinion of the director, all in the ordinary course of business and on normal commercial terms.

FIRTHGLOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

(d) Purchase of Motor Vehicles

The holding company, through the use of its connections and accounts, secures vehicles required by the company and supplies these at cost to the company

During the year vehicles costing £34,916 were acquired by the holding company and supplied to Firthglow Limited at cost

(e) Rent Payable to Pension Fund of a Connected Person

During the year the company paid rent amounting to £27,300 for 2 of its 9 regional branches. These properties belong to a Pension Fund whose main beneficiary is Mrs J Turner, wife of the director of this company. These transactions are in the normal course of business and on commercial terms

5	<u>OPERATING (LOSS)</u>	<u>2007</u>	<u>2006</u>
		<u>£</u>	<u>£</u>
	Operating loss is arrived at after charging		
	Depreciation of Tangible Fixed Assets	170,634	219,648
	Hire of Plant and Machinery	39,607	40,535
	Operating Lease Rentals on Office Equipment	10,985	15,387
	Auditors' Remuneration	2,750	2,500
		<u> </u>	<u> </u>
6	<u>OTHER INTEREST RECEIVABLE AND SIMILAR INCOME</u>	<u>2007</u>	<u>2006</u>
		<u>£</u>	<u>£</u>
	Bank Deposit Interest	24	985
		<u> </u>	<u> </u>
7	<u>INTEREST PAYABLE</u>	<u>2007</u>	<u>2006</u>
		<u>£</u>	<u>£</u>
	Bank Overdraft	2,079	-
	Hire Purchase Interest (including charges)	22,090	34,830
	Loan Interest	6,961	5,303
	Corporation Tax	-	5
		<u> </u>	<u> </u>
		<u>31,130</u>	<u>40,138</u>

All the interest shown above relates to debt in respect of which the original term, is less than five years

FIRTHGLOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

8 <u>TAX ON (LOSS) ON ORDINARY ACTIVITIES</u>	<u>2007</u> <u>£</u>	<u>2006</u> <u>£</u>
(Loss) on ordinary activities at 19%	(266,378)	(160,900)
(Loss) on ordinary activities by rate of tax	(50,612)	(30,571)
Expenses Disallowed	1,005	1,287
Depreciation in Excess of Capital Allowances	(365)	(1,714)
Loss Surrendered to Holding Company	16,863	16,080
Losses Carried Forward	33,109	6,733
	<u>-</u>	<u>(8,185)</u>

9 **DIVIDENDS**

No interim dividend was paid during the year. The director has recommended that no final dividend should be paid.

10 <u>TANGIBLE FIXED ASSETS</u>	<u>Plant & Machinery</u> <u>£</u>	<u>Motor Vehicles</u> <u>£</u>	<u>Office Furniture & Equipment</u> <u>£</u>	<u>Total</u> <u>£</u>
COST OR VALUATION				
At 1 April 2006	127,154	1,041,134	242,672	1,410,960
Additions	8,040	60,215	7,915	76,170
Disposals	-	(112,433)	-	(112,433)
At 31 March 2007	<u>135,194</u>	<u>988,916</u>	<u>250,587</u>	<u>1,374,697</u>
DEPRECIATION				
At 1 April 2006	108,573	481,886	190,995	751,454
Charge for the Year	6,655	149,079	14,900	170,634
Eliminated on Disposals	-	(59,272)	-	(59,272)
At 31 March 2007	<u>115,228</u>	<u>541,693</u>	<u>205,895</u>	<u>862,816</u>
NET BOOK VALUE				
At 31 March 2007	<u>19,966</u>	<u>447,223</u>	<u>44,692</u>	<u>511,881</u>
At 31 March 2006	<u>18,581</u>	<u>559,248</u>	<u>51,677</u>	<u>659,506</u>

FIRTHGLOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

Details of the Assets subject to Hire Purchase included above are as follows -

Asset Type: **Motor Vehicles**

Cost	£406,684
Accumulated Depreciation	£185,935
Net Book Value	£220,749

11	<u>STOCK</u>	<u>2007</u> <u>£</u>	<u>2006</u> <u>£</u>
	Raw Materials and Consumables	<u>109,328</u>	<u>104,331</u>
	The replacement cost of the above stocks would not be significantly different from the values stated		
12	<u>DEBTORS</u>	<u>2007</u> <u>£</u>	<u>2006</u> <u>£</u>
	Amounts Owed by Associated Company (see note 23)	1,500	-
	Amounts Recoverable on Contracts	313,126	375,890
	Trade Debtors	524,052	525,866
	Other Debtors	99,987	105,093
	Prepayments	93,400	109,622
		<u>1,032,065</u>	<u>1,116,471</u>
13	<u>CREDITORS: Amounts falling due within one year</u>	<u>2007</u> <u>£</u>	<u>2006</u> <u>£</u>
	Bank Overdraft*	198,893	22,410
	Amount Owed to the Holding company	186,279	414,200
	Trade Creditors	334,592	312,081
	Other Taxes and Social Security	224,343	250,914
	Other Creditors	18,212	41,581
	Accruals	144,554	161,042
	Amount due to Director	6,323	109
	Hire Purchase	68,844	258,579
	Loan from Director's Pension Fund	35,758	45,772
		<u>1,217,798</u>	<u>1,506,688</u>

* Secured by debenture plus cross-guarantees from the holding company (which includes its freehold and debenture).

FIRTHGLOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

14 LOANS

The HP Loans are secured by the underlying assets (see also note 10)

15	<u>CREDITORS: Amounts falling due between one and five years</u>	<u>2007</u> £	<u>2006</u> £
	Hire Purchase	21,726	51,687
	Loan from Director's Pension Fund	4,624	46,525
		<u>26,350</u>	<u>98,212</u>

16 CALLED UP SHARE CAPITAL

Ordinary Shares of £1 each

	<u>2007</u> £	<u>2006</u> £
<u>Authorised</u>		
At beginning of the Year	250,000	250,000
Increase during the Year	750,000	-
At the End of the Year	<u>1,000,000</u>	<u>250,000</u>
<u>Issued</u>		
At beginning of the Year	100,000	100,000
Increase during the Year	400,000	-
At the End of the Year	<u>500,000</u>	<u>100,000</u>

17 PROFIT AND LOSS ACCOUNT

	<u>2007</u> £	<u>2006</u> £
Balance at 31 March 2006	175,504	602,706
(Loss) for the Year	(266,378)	(427,202)
Balance at 31 March 2007	<u>(90,874)</u>	<u>175,504</u>

FIRTHGLOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	<u>2007</u> £	<u>2006</u> £
(Loss) for the Financial Year	(266,378)	(427,202)
Shares Issued	400,000	-
Opening Shareholders Funds	<u>275,504</u>	<u>702,706</u>
Closing Shareholders Funds	<u><u>409,126</u></u>	<u><u>275,504</u></u>

19 IMMEDIATE AND ULTIMATE HOLDING COMPANY

Turner Enterprises Limited, a company incorporated in the UK is the immediate Holding company of Firthglow Limited. The ultimate control vests in Mr G B Turner

20 FINANCIAL COMMITMENTS

Operating Leases

At 31 March 2007 the company had Annual commitments under non-cancellable operating leases as follows

	<u>2007</u> £	<u>2006</u> £
<u>Expiry Date</u>		
Within 1 year	7,455	14,513
Between 1 and 5 Years	-	7,455
	<u><u>7,455</u></u>	<u><u>21,968</u></u>

21 PENSION COSTS

The company operates a Self Administered Pension Scheme. The assets of the scheme are held separately from the company and the funds are administered independently by the trustees of the Scheme. These funds are audited by different auditors from that of the company.

The pension cost represents contributions paid to the Plan and amounted to £NIL (2006 - £NIL). There were no contributions outstanding at the year end.

FIRTHGLOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

22 CONTINGENT LIABILITIES

In connection with the sale of its products and services, by way of Installations, the company enters into long term contingent obligations. These mainly involve providing twenty years warranty for customers in respect of a proportion of the value of these Installations.

At the date these accounts were approved (and based on past experience) the director regards there to be only a remote possibility that there will be any significant loss arising from these contingencies.

As the past may not necessarily be an indication of the future, no reliable estimate can be made of the future liability. Accordingly, no provision has been made for this item in the financial statements.

23 ASSOCIATED COMPANY

The director's wife has a controlling interest in Firthglow Financial Services Ltd. For this reason it is an associated company within the meaning of the Taxes Act. However, neither Firthglow Limited, nor the director have any direct holding in this company.