

Registration number 1845096

Front Line Extrusions Limited

Directors' report and financial statements

for the year ended 31 December 2007

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Front Line Extrusions Limited

Company information

Directors	I V Potter G Smith P Clark
Secretary	I V Potter
Company number	1845096
Registered office	Estate Road No 1 South Humberside Industrial Estate Grimsby North East Lincolnshire DN31 2TF
Auditors	T Rawlinson & Co Limited 127 Cleethorpe Road Grimsby North East Lincolnshire DN31 3EW
Business address	Estate Road No 1 South Humberside Ind Estate Grimsby North East Lincolnshire DN31 2TF

Front Line Extrusions Limited

Contents

	Page
Directors' report	1 - 3
Auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9 - 21

Front Line Extrusions Limited

Directors' report for the year ended 31 December 2007

The directors present their report and the financial statements for the year ended 31 December 2007

Principal activity and review of the business

The principal activity of the company is the production and sale of plastic mouldings and extrusions

The company operates a defined contribution pension scheme in respect of the employees and directors. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £33,723 (31 December 2006 - £79,545)

Principal risks and uncertainties

The company's products are sold to a wide range of customers in various industries, predominately in the United Kingdom. The turnover by individual industry has not changed significantly over the last year, however the directors recognise that the company should not be too heavily dependant on any one industry, and therefore we continue to explore new markets, industries and customers to broaden our base.

The directors believe that at the current time the company's strategy of providing good quality products with a first class service to customers, will enable the company to continue its business at current levels despite competition in the market place. We also continue to look at new ways to assist customers and provide a better service. We believe that our approach will enable the company to continue its growth, although there are external factors which we cannot control such as interest rates, inflation and raw material prices, that may affect our performance.

Fair review of business

The key financial highlights are as follows

	2007	2006	2005
Turnover	4,382,411	4,105,283	4,415,590
Gross profit margin	30%	31%	27%
Profits before tax	297,209	256,862	139,317

We continue to monitor costs of raw materials, utilities, labour costs and efficiencies to maintain a smooth and efficient operation, which should produce satisfactory results.

Results and dividends

The results for the year are set out on page 6

The directors do not recommend payment of a final dividend

Financial risk management objectives and policies

The company's principal financial instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors, invoice discounting, loans to the company and finance lease agreements. The main purpose of these instruments is to raise funds for the company's operation and to finance the company's operation.

Front Line Extrusions Limited

Directors' report for the year ended 31 December 2007

continued

Directors

The directors who served during the year are as stated below

I V Potter

G Smith

P Clark

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as the directors are aware

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that T Rawlinson & Co Limited be reappointed as auditors of the company will be put to the Annual General Meeting

This report was approved by the Board on 29 April 2008 and signed on its behalf by



I.V. Potter

Company Secretary

Front Line Extrusions Limited

**Independent auditors' report to the shareholders of
Front Line Extrusions Limited**

We have audited the financial statements of Front Line Extrusions Limited for the year ended 31 December 2007 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and the 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 in the statement of directors' responsibilities.

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 directors' report 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 directors' report 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 company's circumstances, consistently applied and adequately disclosed.

Front Line Extrusions Limited

Independent auditors' report to the shareholders of Front Line Extrusions Limited continued

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 December 2007 and of its 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 Directors' Report is consistent with the financial statements

T. Rawlinson & Co

T. Rawlinson & Co Limited
Chartered Accountants and
Registered Auditor

29 April 2008

127 Cleethorpe Road
Grimsby
North East
Lincolnshire
DN31 3EW

Front Line Extrusions Limited

**Profit and loss account
for the year ended 31 December 2007**

		Continuing operations	
		2007	2006
	Notes	£	£
Turnover	2	4,382,411	4,105,283
Cost of sales		(3,051,969)	(2,831,446)
Gross profit		1,330,442	1,273,837
Distribution costs		(299,291)	(199,029)
Administrative expenses		(1,135,210)	(838,025)
Other operating income		36,995	63,420
Operating (loss)/profit	3	(67,064)	300,203
Investment income	4	422,155	-
Other interest receivable and similar income	5	15	20
Interest payable and similar charges	6	(57,896)	(43,361)
Profit on ordinary activities before taxation		297,210	256,862
Tax on profit on ordinary activities	8	8,305	(62,357)
Profit on ordinary activities after taxation		305,515	194,505
Profit for the year	18	305,515	194,505
Retained profit brought forward		1,497,207	1,257,703
Reserve Movements		-	45,000
Retained profit carried forward		1,802,722	1,497,208

There are no recognised gains or losses other than the profit or loss for the above two financial years

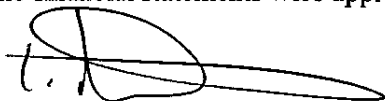
The notes on pages 8 to 20 form an integral part of these financial statements.

Front Line Extrusions Limited

Balance sheet **as at 31 December 2007**

		2007		2006	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		2,701,015		1,619,367
Investments	10		50,000		151,724
			<u>2,751,015</u>		<u>1,771,091</u>
Current assets					
Stocks	11	353,137		286,553	
Debtors	12	1,624,331		1,429,791	
Cash at bank and in hand		35,262		14,891	
		<u>2,012,730</u>		<u>1,731,235</u>	
Creditors: amounts falling due within one year	13	(1,750,242)		(1,137,109)	
Net current assets			<u>262,488</u>		<u>594,126</u>
Total assets less current liabilities			3,013,503		2,365,217
Creditors: amounts falling due after more than one year	14		(970,671)		(632,980)
Provisions for liabilities	15		(68,193)		(63,112)
Net assets			<u>1,974,639</u>		<u>1,669,125</u>
Capital and reserves					
Called up share capital	17		18,000		18,000
Revaluation reserve	18		153,917		153,917
Profit and loss account	18		1,802,722		1,497,208
Equity shareholders' funds	19		<u>1,974,639</u>		<u>1,669,125</u>

The financial statements were approved by the Board on 29 April 2008 and signed on its behalf by



I.V. Potter
Director

The notes on pages 8 to 20 form an integral part of these financial statements.

Front Line Extrusions Limited

Cash flow statement for the year ended 31 December 2007

	Notes	2007 £	2006 £
Reconciliation of operating (loss)/profit to net cash inflow from operating activities			
Operating (loss)/profit		(67,064)	300,203
Depreciation		291,063	111,201
(Increase) in stocks		(66,584)	93,117
(Increase) in debtors		(181,420)	(590,063)
Increase in creditors		707,975	93,155
Net cash inflow from operating activities		<u>683,970</u>	<u>7,613</u>
Cash flow statement			
Net cash inflow from operating activities		683,970	7,613
Returns on investments and servicing of finance	22	364,274	(43,341)
Taxation	22	(56,926)	(27,899)
Capital expenditure	22	(1,318,639)	195,301
		(327,321)	131,674
Financing	22	401,229	60,623
Decrease in cash in the year		<u>73,908</u>	<u>192,297</u>
Reconciliation of net cash flow to movement in net debt (Note 23)			
Decrease in cash in the year		73,908	192,297
Cash outflow from decrease in debts and lease financing		(401,229)	(60,623)
Change in net debt resulting from cash flows		(327,321)	131,674
New finance leases and hire purchase contracts		47,568	62,735
Movement in net debt in the year		(279,753)	194,409
Net debt at 1 January 2007		<u>(717,989)</u>	<u>(912,398)</u>
Net debt at 31 December 2007		<u>(997,742)</u>	<u>(717,989)</u>

Front Line Extrusions Limited

Notes to the financial statements for the year ended 31 December 2007

. . . continued

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets and comply with financial reporting standards of the Accounting Standards Board

In respect of long term contracts and contracts for on-going services, turnover is recognised to the extent that the company obtains a right to consideration as contract activity progresses

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows

Plant and machinery	-	15% Reducing Balance
Fixtures, fittings and equipment	-	15% Reducing Balance
Motor vehicles	-	25% Reducing Balance

1.4. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period

1.5. Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

1.6. Stock

Stock is valued at the lower of cost and net realisable value

1.7. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings

Front Line Extrusions Limited

Notes to the financial statements for the year ended 31 December 2007

1.8. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable,

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

1.9. Group accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts

2. Turnover

	2007 £	2006 £
Geographical market		
UK	4,374,253	4,076,352
Europe	42,532	37,494
Rest of the World	37,190	48,298
	<u>4,453,975</u>	<u>4,162,144</u>

3. Operating (loss)/profit

	2007 £	2006 £
Depreciation and other amounts written off intangible assets	101,724	-
Depreciation and other amounts written off tangible assets	117,384	130,959
Loss on disposal of tangible fixed assets	71,955	(19,758)

Front Line Extrusions Limited

**Notes to the financial statements
for the year ended 31 December 2007**

. continued

4. Income from investments	2007	2006
	£	£
Income from subsidiary undertakings	<u>422,155</u>	<u>-</u>
5. Interest receivable and similar income	2007	2006
	£	£
Bank interest	<u>15</u>	<u>20</u>
6. Interest payable and similar charges	2007	2006
	£	£
Interest payable on loans < 1 yr	56,498	37,517
Hire purchase interest	1,398	5,844
	<u>57,896</u>	<u>43,361</u>
7. Employees		
Number of employees	2007	2006
The average monthly numbers of employees (including the directors) during the year were		
Production	65	54
Sales	1	1
Administration	14	12
	<u>80</u>	<u>67</u>
Employment costs	2007	2006
	£	£
Wages and salaries	1,466,738	1,313,765
Social security costs	145,837	131,477
Pension costs-other operating charge	44,872	79,545
	<u>1,657,447</u>	<u>1,524,787</u>

Front Line Extrusions Limited

Notes to the financial statements for the year ended 31 December 2007

.. continued

7.1. Directors' emoluments	2007	2006
	£	£
Remuneration and other emoluments	215,221	281,191
Pension contributions	4,289	60,345
Sums paid to third parties	11,149	3,833
	<u>230,659</u>	<u>345,369</u>
 Highest paid director	 £	 £
Amounts included above		
Emoluments and other benefits	49,969	49,179
Pension contributions	-	8,750
	<u>49,969</u>	<u>57,929</u>

Front Line Extrusions Limited

**Notes to the financial statements
for the year ended 31 December 2007**

continued

8. Tax on profit on ordinary activities

Analysis of charge in period	2007 £	2006 £
Current tax		
UK corporation tax	-	56,926
Group relief	10,563	8,373
	<u>10,563</u>	<u>65,299</u>
Total current tax charge	<u>10,563</u>	<u>65,299</u>
Deferred tax		
Timing differences, origination and reversal	(18,868)	(2,942)
Total deferred tax	<u>(18,868)</u>	<u>(2,942)</u>
Tax on profit on ordinary activities	<u>(8,305)</u>	<u>62,357</u>

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (20 per cent) The differences are explained below

	2007 £	2006 £
Profit on ordinary activities before taxation	<u>297,210</u>	<u>256,862</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (31 December 2006 27%)	58,709	69,353
Effects of:		
Expenses not deductible for tax purposes	20,102	2,711
Capital allowances for period in excess of depreciation	15,128	(6,765)
Group dividends	(83,376)	-
Current tax charge for period	<u>10,563</u>	<u>65,299</u>

Front Line Extrusions Limited

Notes to the financial statements for the year ended 31 December 2007

continued

9. Tangible fixed assets	Land and buildings freehold £	Long leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost/revaluation						
At 1 January 2007	-	999,652	1,361,016	91,050	161,779	2,613,497
Additions	-	-	3,348	4,075	-	7,423
Transfer from subsidiary	1,083,363		728,677	92,592	54,320	1,958,952
Disposals	-	-	(291,778)	(70,565)	(81,746)	(444,089)
At 31 December 2007	<u>1,083,363</u>	<u>999,652</u>	<u>1,801,263</u>	<u>117,152</u>	<u>134,353</u>	<u>4,135,783</u>
Depreciation						
At 1 January 2007	-	-	834,575	69,381	90,176	994,132
Transfer from subsidiary			530,131	84,098	37,994	652,223
On disposals	-	-	(209,239)	(66,303)	(53,511)	(329,053)
Charge for the year	-	-	94,022	8,484	14,960	117,466
At 31 December 2007	<u>-</u>	<u>-</u>	<u>1,249,489</u>	<u>95,660</u>	<u>89,619</u>	<u>1,434,768</u>
Net book values						
At 31 December 2007	<u>1,083,363</u>	<u>999,652</u>	<u>551,774</u>	<u>21,492</u>	<u>44,734</u>	<u>2,701,015</u>
At 31 December 2006	<u>-</u>	<u>999,652</u>	<u>526,441</u>	<u>21,669</u>	<u>71,603</u>	<u>1,619,365</u>

Front Line Extrusions Limited

Notes to the financial statements for the year ended 31 December 2007

.. . continued

Included above are assets held under finance leases or hire purchase contracts as follows

Asset description	2007		2006	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Plant and machinery	-	-	122,475	59,827
Motor vehicles	10,396	18,454	60,532	44,565
	<u>10,396</u>	<u>18,454</u>	<u>183,007</u>	<u>104,392</u>

Tangible fixed assets included at a valuation would have been included on a historical cost basis at

	2007 £	2006 £
Cost	1,929,098	845,735
Depreciation	-	-
Net book value	<u>1,929,098</u>	<u>845,735</u>

The long leasehold and freehold land and buildings are included at market valuation. The valuation has been made by Mr I V Potter a director of the company.

10. Fixed asset investments	Subsidiary undertakings shares £	Total £
Cost		
At 1 January 2007		
At 31 December 2007	<u>151,724</u>	<u>151,724</u>
Provisions for diminution in value:		
Movement	<u>101,724</u>	<u>101,724</u>
At 31 December 2007	<u>101,724</u>	<u>101,724</u>
Net book values		
At 31 December 2007	<u>50,000</u>	<u>50,000</u>
At 31 December 2006	<u>151,724</u>	<u>151,724</u>

Front Line Extrusions Limited

Notes to the financial statements for the year ended 31 December 2007

continued

10.1. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies

Company	Country of registration or incorporation	Nature of business	Shares held class	Proportion of shares held
Subsidiary undertaking				
Augusta Extrusions Limited	England & Wales	Plastic Extrusions	Ordinary	100%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	Capital and reserves	Profit for the year	
	£	£	
Augusta Extrusions Limited	50,000	(76,169)	
11. Stocks		2007	2006
		£	£
Raw materials and consumables		298,732	196,570
Finished goods and goods for resale		54,405	89,983
		<u>353,137</u>	<u>286,553</u>
12. Debtors		2007	2006
		£	£
Trade debtors		874,302	711,992
Amounts owed by group undertakings		694,646	701,878
Other debtors		17,191	-
Prepayments and accrued income		38,192	15,921
		<u>1,624,331</u>	<u>1,429,791</u>

Front Line Extrusions Limited

**Notes to the financial statements
for the year ended 31 December 2007**

continued

13. Creditors: amounts falling due within one year	2007 £	2006 £
Bank loan	56,600	46,600
Net obligations under finance leases and hire purchase contracts	5,733	53,301
Trade creditors	1,308,010	758,249
Amounts owed to group undertaking	50,000	-
Corporation tax	-	56,927
Other taxes and social security costs	146,978	122,576
Accruals and deferred income	182,921	99,456
	<u>1,750,242</u>	<u>1,137,109</u>

The bank has a first mortgage over the leasehold property of the company together with a fixed and floating charge of the assets of the company

Front Line Extrusions Limited

**Notes to the financial statements
for the year ended 31 December 2007**

continued

14. Creditors: amounts falling due after more than one year	2007 £	2006 £
Bank loan	966,371	617,639
Net obligations under finance leases and hire purchase contracts	4,300	15,341
	<u>970,671</u>	<u>632,980</u>
Loans		
Repayable in one year or less, or on demand (Note 13)	56,600	46,600
Repayable between one and two years	65,200	52,200
Repayable between two and five years	213,534	192,734
Repayable in five years or more	687,637	372,705
	<u>1,022,971</u>	<u>664,239</u>
Repayable in five years or more		
Bank loan	687,637	372,705
	<u>687,637</u>	<u>372,705</u>
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	5,733	53,301
Repayable between one and five years	4,300	15,341
	<u>10,033</u>	<u>68,642</u>
 15. Provisions for liabilities		
	Deferred taxation (Note 16) £	Total £
At 1 January 2007	63,112	63,112
Movements in the year	5,081	5,081
At 31 December 2007	<u>68,193</u>	<u>68,193</u>

Front Line Extrusions Limited

Notes to the financial statements
for the year ended 31 December 2007

. . continued

16. Provision for deferred taxation	2007	2006
	£	£
Accelerated capital allowances	68,193	63,112
Provision for deferred tax	<u>68,193</u>	<u>63,112</u>
Provision at 1 January 2007	63,112	
Deferred tax credit in profit and loss account	(18,868)	
Transfer on acquisition of subsidiaries assets	<u>23,949</u>	
Provision at 31 December 2007	<u>68,193</u>	
 17. Share capital	 2007	 2006
	£	£
Authorised equity		
20,000 Ordinary shares of 1 each	<u>20,000</u>	<u>20,000</u>
Allotted, called up and fully paid equity		
18,000 Ordinary shares of 1 each	<u>18,000</u>	<u>18,000</u>
 18. Equity Reserves	 Revaluation reserve	 Profit and loss account
	£	£
At 1 January 2007	153,917	1,497,207
Profit for the year		<u>305,515</u>
At 31 December 2007	<u>153,917</u>	<u>1,802,722</u>
		<u>1,956,639</u>

Front Line Extrusions Limited

Notes to the financial statements for the year ended 31 December 2007

. . . continued

19. Reconciliation of movements in shareholders' funds	2007	2006
	£	£
Profit for the year	305,515	194,505
Other recognised gains or losses	-	45,000
Net addition to shareholders' funds	305,515	239,505
Opening shareholders' funds	1,669,124	1,429,620
Closing shareholders' funds	<u>1,974,639</u>	<u>1,669,125</u>

20. Related party transactions

During the year the company traded with Augusta Extrusions Limited a wholly owned subsidiary. All transactions were undertaken on a commercial basis

	2007	2006
	£	£
Sales to Augusta Extrusions Limited	<u>64,284</u>	<u>49,011</u>
Purchases from Augusta Extrusions Limited	<u>61,356</u>	<u>89,504</u>
Management Charges Received	<u>36,995</u>	<u>63,420</u>
Details of trading balances owed and owing are as follows:		
Owed by Augusta Extrusions Limited	<u>-</u>	<u>12,572</u>
Owed to Augusta Extrusions Limited	<u>-</u>	<u>34,968</u>

21. Ultimate parent undertaking

The company is a wholly owned subsidiary of Front Line Extrusions Group Limited, a company registered in England

Front Line Extrusions Limited

**Notes to the financial statements
for the year ended 31 December 2007**

continued

22. Gross cash flows

	2007 £	2006 £
Returns on investments and servicing of finance		
Interest received	15	20
Interest paid	(57,896)	(43,361)
Dividends received	422,155	-
	<u>364,274</u>	<u>(43,341)</u>
Taxation		
Corporation tax paid	<u>(56,926)</u>	<u>(27,899)</u>
Capital expenditure		
Payments to acquire tangible assets	(1,361,720)	(138,894)
Receipts from sales of tangible assets	<u>43,081</u>	<u>334,195</u>
	<u>(1,318,639)</u>	<u>195,301</u>
Financing		
New long term bank loan	455,806	341,680
Repayment of short term bank loan	(43,537)	(237,080)
Capital element of finance leases and hire purchase contracts	<u>(11,040)</u>	<u>(43,977)</u>
	<u>401,229</u>	<u>60,623</u>

23. Analysis of changes in net funds

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	14,891	20,371		35,262
Debt due within one year	(46,600)	(10,000)	-	(56,600)
Debt due after one year	(617,639)	(402,269)	53,537	(966,371)
Finance leases and hire purchase contracts	(68,641)	11,040	47,568	(10,033)
	<u>(732,880)</u>	<u>(401,229)</u>	<u>101,105</u>	<u>(1,033,004)</u>
Net funds	<u>(717,989)</u>	<u>(380,858)</u>	<u>101,105</u>	<u>(997,742)</u>