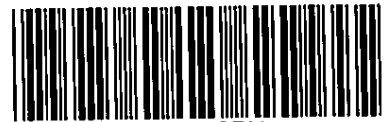


Company Registration No. 03401753 (England and Wales)

FULCRUM FIRST LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2009

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COMPANIES HOUSE

FULCRUM FIRST LIMITED

COMPANY INFORMATION

Directors

P Mark
B S Mark
A J Ford
R J Shennan
C J Buckley
S Muhsinovic
P B Nissen
C E Wildfire

Secretary

K Bishop

Company number

03401753

Registered office

62-68 Rosebery Avenue
London
Great Britain
EC1R 4RR

Auditors

HLB Vantis Audit Plc
Chartered Accountants & Registered Auditors
Nexus House
2 Cray Road
Sidcup
Kent
DA14 5DA

Bankers

Barclays Bank Plc - Bexleyheath
Bexleyheath Business Centre
Bexleyheath
Kent

FULCRUM FIRST LIMITED

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FULCRUM FIRST LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2009

The directors present their report and financial statements for the year ended 30 April 2009.

Principal activities and review of the business

The principal activity of the company during the year continued to be consulting engineers.

The year has seen Fulcrum Consulting affected by the recession, with the most significant issue being the collapse of the Learning and Skills Council (LSC) funding for further education colleges. Fulcrum had been successful in being appointed on a number of large FE College redevelopment schemes, which were expected to provide a major buffer to the downturn in other markets, primarily housing and commercial sectors. A high degree of confidence in these schemes was demonstrated by all stakeholders, not least the colleges themselves who in some cases had started demolition works based on information received from LSC. The progressive and chaotic nature of the collapse of the funding stream led to several months when resources were retained in anticipation of a re-start after a review period, leading in turn to substantial losses when the majority of the schemes were finally aborted.

During the year redundancies have been made as the company has adjusted to a reduced turnover, contributing to losses.

The company has developed new markets, including sustainability masterplanning, which have shown growth and partially offset the downturn in traditional markets. Our position as leading advisors on Low and Zero Carbon building design has been enhanced by our association with the Government-sponsored Zero Carbon Hub, hosted in our offices, and partially staffed by engineers seconded from Fulcrum. The company has continued to invest in new business systems and Research and Development activity in order to establish a strong degree of readiness for a return to the underlying growth pattern shown in recent years as a result of our strong industry position in integrated design for low energy buildings.

The company has moved to a stable turnover at a reduced level. Key staff have been retained and arrangements have been put in place for ongoing capital requirements.

Results and dividends

The results for the year are set out on page 6.

Directors

The following directors have held office since 1 May 2008:

P Mark
B S Mark
A J Ford
R J Shennan
C J Buckley
S Muhsinovic
P B Nissen
C E Wildfire

FULCRUM FIRST LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2009

Financial instruments

The company operates a treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with its activities.

The company's principal financial instruments include bank overdrafts and loans, the main purpose of which is to raise finance for its operations. In addition, the company has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from operations.

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring it has sufficient liquid resources to meet the operating needs of the business.

The company is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on bank overdrafts and loans.

Investments of cash surpluses and borrowings are made through banks and institutions which must fulfil credit rating criteria approved by the Board. All customers who wish to trade on credit terms are subject to credit verification procedures and trade debtors are reviewed on a regular basis and provision is made for doubtful debts when necessary. The company's principal foreign currency exposures arise from trading with overseas companies and its policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

FULCRUM FIRST LIMITED

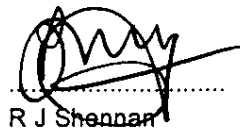
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2009

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



R J Shennan

Director

20/11/09

FULCRUM FIRST LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FULCRUM FIRST LIMITED

We have audited the financial statements of Fulcrum First Limited for the year ended 30 April 2009 set out on pages 6 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. 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 explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2009 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter

In forming our opinion on the financial statements which are not qualified, we have considered the adequacy of the disclosures made in note 10 to the financial statements concerning loans advanced to related entities. The accounts do not include any adjustment to reflect the balances as disclosed not being recoverable in full.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

FULCRUM FIRST LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF FULCRUM FIRST LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

HLB Vantis Audit Plc

Nick Paterno (Senior Statutory Auditor)
for and on behalf of HLB Vantis Audit Plc

24 November 2009

Chartered Accountants
Statutory Auditor

Chartered Accountants & Registered
Auditors
Nexus House
2 Cray Road
Sidcup
Kent
DA14 5DA



FULCRUM FIRST LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2009

	Notes	2009 £	2008 £
Turnover	2	7,798,827	7,197,467
Cost of sales		(5,201,195)	(3,936,909)
Gross profit		2,597,632	3,260,558
Administrative expenses		(3,378,755)	(2,739,771)
Other operating income		73,737	60,735
Operating (loss)/profit	3	(707,386)	581,522
Other interest receivable and similar income	4	3,839	6,871
Interest payable and similar charges	5	(24,578)	(18,264)
(Loss)/profit on ordinary activities before taxation		(728,125)	570,129
Tax on (loss)/profit on ordinary activities	6	211,049	(195,050)
(Loss)/profit for the year	15	(517,076)	375,079

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

FULCRUM FIRST LIMITED

BALANCE SHEET

AS AT 30 APRIL 2009

	Notes	2009 £	£	2008 £	£
Fixed assets					
Intangible assets	8		175,563		177,143
Tangible assets	9		369,788		272,718
			<u>545,351</u>		<u>449,861</u>
Current assets					
Debtors: amounts falling due within one year	10	1,787,985		2,924,337	
Debtors: amounts falling due after more than one year	10	274,117		-	
Cash at bank and in hand		53		730,553	
		<u>2,062,155</u>		<u>3,654,890</u>	
Creditors: amounts falling due within one year	11	<u>(1,916,859)</u>		<u>(3,174,357)</u>	
Net current assets			<u>145,296</u>		<u>480,533</u>
Total assets less current liabilities			<u>690,647</u>		<u>930,394</u>
Creditors: amounts falling due after more than one year	12		(348,582)		(65,203)
Provisions for liabilities			-		(6,050)
			<u>342,065</u>		<u>859,141</u>
Capital and reserves					
Called up share capital	14		1,250		1,250
Share premium account	15		80,250		80,250
Profit and loss account	15		260,565		777,641
Shareholders' funds	16		<u>342,065</u>		<u>859,141</u>

Approved by the Board and authorised for issue on 20/11/09


R J Shennan
Director

Company Registration No. 03401753

FULCRUM FIRST LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2009

	£	2009 £	£	2008 £
Net cash (outflow)/inflow from operating activities		(649,454)		926,007
Returns on investments and servicing of finance				
Interest received	3,839		6,871	
Interest paid	(23,657)		(18,264)	
Net cash outflow for returns on investments and servicing of finance		(19,818)		(11,393)
Taxation		(141,579)		(124,348)
Capital expenditure				
Payments to acquire intangible assets	(34,420)		(34,149)	
Payments to acquire tangible assets	(235,311)		(229,626)	
Receipts from sales of tangible assets	800		320	
Net cash outflow for capital expenditure		(268,931)		(263,455)
Equity dividends paid		-		(49,600)
Net cash (outflow)/inflow before management of liquid resources and financing		(1,079,782)		477,211
Financing				
Issue of ordinary share capital	-		52,583	
New long term bank loan	169,253		-	
Other new long term loans	127,252		-	
Other new short term loans	40,111		3,968	
Repayment of long term bank loan	-		(44,002)	
Repayment of other long term loans	(20,284)		-	
Capital element of hire purchase contracts	(4,911)		27,941	
Net cash inflow from financing		311,421		40,490
(Decrease)/increase in cash in the year		(768,361)		517,701

FULCRUM FIRST LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2009

1	Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities	2009	2008
		£	£
	Operating (loss)/profit	(707,386)	581,522
	Depreciation of tangible assets	138,241	107,882
	Amortisation of intangible assets	36,000	71,900
	Profit on disposal of tangible assets	(800)	(320)
	Decrease/(increase) in debtors	1,018,787	(1,270,392)
	(Decrease)/Increase in creditors within one year	(1,134,296)	1,435,415
	Net cash (outflow)/inflow from operating activities	(649,454)	926,007

2	Analysis of net (debt)/funds	1 May 2008	Cash flow	Other non-cash changes	30 April 2009
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	730,553	(730,500)	-	53
	Bank overdrafts	-	(37,861)	-	(37,861)
		<u>730,553</u>	<u>(768,361)</u>	<u>-</u>	<u>(37,808)</u>
	Debt:				
	Finance leases	(76,602)	4,911	-	(71,691)
	Debts falling due within one year	(44,419)	(25,914)	-	(70,333)
	Debts falling due after one year	(31,518)	(290,418)	-	(321,936)
		<u>(152,539)</u>	<u>(311,421)</u>	<u>-</u>	<u>(463,960)</u>
	Net funds/(debt)	<u>578,014</u>	<u>(1,079,782)</u>	<u>-</u>	<u>(501,768)</u>

3	Reconciliation of net cash flow to movement in net (debt)/funds	2009	2008
		£	£
	(Decrease)/increase in cash in the year	(768,361)	517,701
	Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(311,421)	12,094
	Movement in net (debt)/funds in the year	(1,079,782)	529,795
	Opening net funds	578,014	48,219
	Closing net (debt)/funds	(501,768)	578,014

FULCRUM FIRST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2009

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The accounts have been drawn up on a going concern basis.

The current economic environment has resulted in the company facing a very difficult trading period and as result reporting a loss for the financial year. In acknowledgment of the significant challenges presented in terms of earnings and margins achievable the directors have introduced measures to ensure overheads are controlled and implemented cost cutting measures which have been fully implemented by September 2009.

The company is reliant upon the support of its directors, connected companies and bankers. The directors have confirmed their continued support and should the need arise will introduce funds to enable the company to meet its short term, funding requirements.

The company has a good relationship with its bank and has secured additional funding of £350,000 subsequent to the year end via a loan relationship with a connected company. The appropriate banking facilities are secured for the foreseeable future.

Based on the reasons outlined above the directors have a expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

If the company was unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of assets to their recoverable amounts, and to reclassify fixed assets as current assets.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value, excluding VAT, which costs to date bear to total expected costs for that contract.

1.4 Goodwill

Amortisation is calculated so as to write off the cost of goodwill, less its estimated residual value, over the useful economic life of 6 years.

1.5 Research and development

Research expenditure is written off in the year in which it is incurred.

Where development expenditure is incurred on clearly defined projects whose outcome can be assessed with reasonable certainty the cost is carried forward and amortisation is charged from that time over the less of the life of the project or three years.

FULCRUM FIRST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2009

1 Accounting policies

(continued)

1.6 Tangible fixed assets and depreciation

All fixed assets are initially recorded at cost.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold improvements	5 years straight line
Telephone/computer equipment	25% - 33% reducing balance
Fixtures, fittings & equipment	33% reducing balance

1.7 Leasing and hire purchase commitments

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

1.8 Pensions

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

1.9 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;

- 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.

1.10 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

FULCRUM FIRST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2009

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating (loss)/profit	2009 £	2008 £
Operating (loss)/profit is stated after charging:		
Amortisation of intangible assets	36,000	71,900
Depreciation of tangible assets	138,241	107,882
Operating lease rentals		
- Plant and machinery	45,082	23,295
Auditors' remuneration	9,950	6,750
and after crediting:		
Profit on disposal of tangible assets	(800)	(320)

4 Investment income	2009 £	2008 £
Bank interest	3,839	6,871
	<u>3,839</u>	<u>6,871</u>

5 Interest payable	2009 £	2008 £
On bank loans and overdrafts	9,402	8,429
On other loans wholly repayable within five years	1,790	-
Hire purchase interest	10,822	9,835
On overdue tax	921	-
Other interest	1,643	-
	<u>24,578</u>	<u>18,264</u>

FULCRUM FIRST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2009

6	Taxation	2009 £	2008 £
	Domestic current year tax		
	U.K. corporation tax	(196,000)	190,000
	Adjustment for prior years	(8,999)	-
		<u>(204,999)</u>	<u>190,000</u>
	Current tax charge		
	Deferred tax		
	Origination and reversal of timing differences	(6,050)	5,050
		<u>(211,049)</u>	<u>195,050</u>
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	<u>(728,125)</u>	<u>570,129</u>
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2008 - 30.00%)	<u>(203,875)</u>	<u>171,039</u>
	Effects of:		
	Non deductible expenses	7,711	33,388
	Depreciation add back	48,787	32,365
	Capital allowances	(34,471)	(44,455)
	Development expenditure capitalised	(14,456)	(10,245)
	Adjustments to previous periods	(8,999)	8,999
	Profit on disposals	-	(96)
	Other tax adjustments	304	(995)
		<u>(1,124)</u>	<u>18,961</u>
	Current tax charge	<u>(204,999)</u>	<u>190,000</u>

The company has estimated losses of £ 48,128 (2008 - £ nil) available for carry forward against future trading profits.

7	Dividends	2009 £	2008 £
	Ordinary final paid	<u>-</u>	<u>49,600</u>

FULCRUM FIRST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2009

8 Intangible fixed assets

	Goodwill	Development Costs	Total
	£	£	£
Cost			
At 1 May 2008	280,000	148,301	428,301
Additions	-	34,420	34,420
	<u>280,000</u>	<u>182,721</u>	<u>462,721</u>
At 30 April 2009	280,000	182,721	462,721
Amortisation			
At 1 May 2008	200,000	51,158	251,158
Charge for the year	36,000	-	36,000
	<u>236,000</u>	<u>51,158</u>	<u>287,158</u>
At 30 April 2009	236,000	51,158	287,158
Net book value			
At 30 April 2009	<u>44,000</u>	<u>131,563</u>	<u>175,563</u>
At 30 April 2008	<u>80,000</u>	<u>97,143</u>	<u>177,143</u>

The company is currently carrying development costs on four projects, amortisation will be charged once the application of these processes is in place.

FULCRUM FIRST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2009

9 Tangible fixed assets

	Leasehold improvements £	Telephone/ computer equipment £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 May 2008	161,590	508,176	25,430	695,196
Additions	15,000	209,055	11,256	235,311
	<u>176,590</u>	<u>717,231</u>	<u>36,686</u>	<u>930,507</u>
At 30 April 2009				
Depreciation				
At 1 May 2008	159,943	251,847	10,688	422,478
Charge for the year	1,647	129,331	7,263	138,241
	<u>161,590</u>	<u>381,178</u>	<u>17,951</u>	<u>560,719</u>
At 30 April 2009				
Net book value				
At 30 April 2009	15,000	336,053	18,735	369,788
	<u>1,647</u>	<u>256,329</u>	<u>14,742</u>	<u>272,718</u>
At 30 April 2008				

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

	Telephone/ computer equipment £
Net book values	
At 30 April 2009	93,537
	<u>82,508</u>
At 30 April 2008	
Depreciation charge for the year	
At 30 April 2009	33,815
	<u>26,408</u>
At 30 April 2008	

FULCRUM FIRST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2009

10 Debtors	2009 £	2008 £
Trade debtors	1,475,118	2,729,455
Corporation tax	156,552	-
Other debtors	308,591	92,654
Prepayments and accrued income	121,841	102,228
	<u>2,062,102</u>	<u>2,924,337</u>

Amounts falling due after more than one year and included in the debtors above are:

	2009 £	2008 £
Other debtors	<u>274,117</u>	<u>-</u>

Included within debtors after one year are funding loans of £159,758 due from Fulcrum Consulting Limited, registered in Hong Kong and £52,330 due from Fulcrum Consulting SL registered in Spain ("the companies"). Trading balances of £41,326 and £20,703 respectively are also included.

The companies are in the early stages of trading and have required funding to assist with start up costs and initial investment in consultancy projects.

The companies are both 90% owned by Fulcrum Nominees Limited which has similar shareholders to Fulcrum First Limited.

On 28 November 2009 Fulcrum First Limited entered into an option agreement to purchase 90% of the issued share capital of Fulcrum Consulting Limited, registered in Hong Kong, and Fulcrum Consulting SL, registered in Spain ("the companies"). The option agreement was entered into with Fulcrum Nominees Limited which has similar shareholders to Fulcrum First Limited and currently holds the 90% interest in the companies. The option agreement expires on 31 December 2011 and the consideration to be paid on exercise of the option is £10. Both of the companies provide identical services to Fulcrum First Limited in their respective geographical areas of registration.

The directors believe that acquisition of the companies would provide significant strategic benefit in terms of the extension of the company's services to these other regions as there is already a close working relationship between them and Fulcrum First Limited. The remaining 10% interests in the companies are held locally and discussions are progressing in order for Fulcrum First Limited to acquire options over those interests also, in order to obtain full control of the companies.

The companies are not currently in a position to repay the loan and trading balances within the next twelve months. However, given the Directors' intentions regarding the loan balances and also that they are confident that both companies will be profitable in the longer term and be in a position to fulfil their obligations, the directors do not believe that provisions against these balances are appropriate or necessary.

FULCRUM FIRST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2009

11 Creditors: amounts falling due within one year	2009 £	2008 £
Bank loans and overdrafts	108,194	44,419
Net obligations under hire purchase contracts	45,045	42,917
Trade creditors	287,370	440,493
Corporation tax	-	190,026
Other taxes and social security costs	704,541	785,128
Directors' current accounts	52,662	5,556
Other creditors	639,941	1,474,165
Accruals and deferred income	79,106	191,653
	<u>1,916,859</u>	<u>3,174,357</u>

The bank loan and overdraft are secured by a fixed and floating charge over the company's assets.

Hire purchase liabilities are secured on the assets concerned.

FULCRUM FIRST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2009

12 Creditors: amounts falling due after more than one year	2009 £	2008 £
Bank loans	214,968	31,518
Other loans	106,968	-
Net obligations under hire purchase contracts	26,646	33,685
	<u>348,582</u>	<u>65,203</u>
Analysis of loans		
Wholly repayable within five years	392,269	75,937
	<u>392,269</u>	<u>75,937</u>
Included in current liabilities	(70,333)	(44,419)
	<u>321,936</u>	<u>31,518</u>
Loan maturity analysis		
In more than one year but not more than two years	74,375	-
In more than two years but not more than five years	140,593	31,518
	<u>214,968</u>	<u>31,518</u>
Net obligations under hire purchase contracts		
Repayable within one year	45,045	42,917
Repayable between one and five years	26,646	33,685
	<u>71,691</u>	<u>76,602</u>
Included in liabilities falling due within one year	(45,045)	(42,917)
	<u>26,646</u>	<u>33,685</u>
13 Pension and other post-retirement benefit commitments		
Defined contribution		
	2009 £	2008 £
Contributions payable by the company for the year	<u>184,395</u>	<u>126,677</u>

FULCRUM FIRST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2009

14 Share capital	2009	2008
	£	£
Authorised		
160,000 Ordinary of 1.25p each	2,000	2,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
100,000 Ordinary of 1.25p each	1,250	1,250
	<u> </u>	<u> </u>
15 Statement of movements on reserves		
	Share premium account	Profit and loss account
	£	£
Balance at 1 May 2008	80,250	777,641
Loss for the year	-	(517,076)
	<u> </u>	<u> </u>
Balance at 30 April 2009	80,250	260,565
	<u> </u>	<u> </u>
16 Reconciliation of movements in shareholders' funds	2009	2008
	£	£
(Loss)/Profit for the financial year	(517,076)	375,079
Dividends	-	(49,600)
	<u> </u>	<u> </u>
	(517,076)	325,479
Proceeds from issue of shares	-	52,583
	<u> </u>	<u> </u>
Net (depletion in)/addition to shareholders' funds	(517,076)	378,062
Opening shareholders' funds	859,141	481,079
	<u> </u>	<u> </u>
Closing shareholders' funds	342,065	859,141
	<u> </u>	<u> </u>

FULCRUM FIRST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2009

17 Financial commitments

At 30 April 2009 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 April 2010:

	Land and buildings	
	2009	2008
	£	£
Operating leases which expire:		
Within one year	262,431	300,080

18 Capital commitments

At 30 April 2009 the company had capital commitments as follows:

	2009	2008
	£	£
Contracted for but not provided in the financial statements	89,476	-

19 Directors' emoluments

	2009	2008
	£	£
Emoluments for qualifying services	712,892	679,179
Company pension contributions to money purchase schemes	24,424	28,127
	737,316	707,306

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 8 (2008 - 8).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	101,643	95,193
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FULCRUM FIRST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2009

20 Transactions with directors

A Ford, R Shennan, B Mark and P Mark have provided a personal guarantee for £60,000 each in relation to the bank loans and overdraft.

P Nissen, C Buckley, S Muhsinovic and C Wildfire have provided a personal guarantee for £15,000 each in relation to the bank loans and overdraft.

Included within creditors are amounts owing to directors of £52,662 (2008: £5,556) comprised as:- B Mark £13,487 (2008: £2,521), P Mark £12,360 (2008: £1,920), R Shennan £10,159 (2008: £1,060) and A Ford £10,461 (2008: £56), C Wildfire £665 (2008: £nil), C Buckley £1,265 (2008: £nil), P Nissen £2,700 (2008: £nil), S Muhsinovic £1,565 (2008: £nil).

During the year the company paid £300 (2008: £1,250) to J Winch for consultancy services. J Winch is the spouse of A Ford.

The company operates from premises owned by a company called Deedmethod Limited. A Ford and R Shennan are directors of Deedmethod and A Ford, R Shennan, B Mark and P Mark have an interest in that company. During the period the rent and service charges levied by Deedmethod to Fulcrum First Limited amounted to £328,597 (2008: £200,511).

21 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2009 Number	2008 Number
Management	8	8
Administrative	30	27
Engineering	72	99
	<u>110</u>	<u>134</u>

Employment costs

	2009 £	2008 £
Wages and salaries	2,538,806	2,146,069
Social security costs	504,759	374,751
Other pension costs	184,395	126,677
	<u>3,227,960</u>	<u>2,647,497</u>

FULCRUM FIRST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2009

22 Control

There was no ultimate controlling party throughout this period and the previous period.

23 Related party transactions

In addition to the balances in note 10, during the year the company provided engineering services of £41,326 to Fulcrum Consulting Limited and £20,703 to Fulcrum Consulting SL. Also at 30 April 2009 an amount of £28,516 (2008: £47,078) was due to the company by IFTech Ltd. The company operates under common ownership of Fulcrum First Limited.