

**Registration number 222965**

**Firth Brothers Limited**  
**Abbreviated accounts**  
**for the year ended 31 December 2006**

**SATURDAY**



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## **Firth Brothers Limited**

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## **Firth Brothers Limited**

### **Directors' report for the year ended 31 December 2006**

The directors present their report and the accounts for the year ended 31 December 2006

#### **Principal activity and review of the business**

The principal activity of the company was that of a holding company and lessors of motor vehicles and equipment

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year-end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face. In addition, as the company is only required to file abbreviated accounts at Companies House, and so is not required to disclose turnover in its profit and loss account, the company has not presented turnover and gross profit analysis in this business review.

Overall profit before tax has increased to £179,918 from £119,286. After taxation, £161,025 has been retained and added to reserves (2005: £95,413). Out of the retained profit for the year a dividend of £59,000 was distributed (2005: £93,500).

As mentioned in note 22 to the accounts the company sold its shareholding in Firth Powerfix Limited in August 2007. The company continues to rent property to Firth Powerfix Limited, and receive vehicle leasing income. We are aware that any plans for the future developments of the business may be subject to unforeseen future events outside of our control.

#### **Financial risk management objectives and policies**

The company's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest risk. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

The board of directors is responsible for monitoring financial risk and for deciding where it would be appropriate to use financial instruments to manage this risk.

##### **Exchange rate risk**

As the company has minimal transactions in foreign currency, it is not significantly exposed to exchange risk.

##### **Price Risk**

The company has no exposure to equity securities price risk, as it holds no listed investments.

##### **Credit Risk**

The company has implemented policies that require appropriate credit checks on potential customers before credit sales are made.

## **Firth Brothers Limited**

### **Directors' report for the year ended 31 December 2006**

continued

#### **Liquidity Risk**

The company actively maintains a mixture of long-term debt and overdraft finance that is designed to ensure the company has sufficient available funds for operations and any planned expansions

#### **Interest Rate and Cashflow Risk**

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets comprise cash and bank balances which earn interest at variable rates. Interest bearing liabilities comprise overdraft and debt which bear interest at variable rates. The board of directors regularly review the mix of cash, overdraft and debt to manage interest rate risk.

#### **Directors**

The directors who served during the year are as stated below

D I Firth

Mrs P A Firth

#### **Charitable and political contributions**

During the year the company contributed £1,000 to charities and £2,411 to the Conservative Party

#### **Directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year which 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 the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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

The directors of a company must, in determining how amounts are presented within items in the profit and loss account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice

**Firth Brothers Limited**

**Directors' report  
for the year ended 31 December 2006**

continued

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

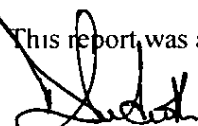
-the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

**Auditors**

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Harrisaccounts LLP be reappointed as auditors of the company will be put to the Annual General Meeting

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

This report was approved by the Board on 16 October 2007 and signed on its behalf by



**D I Firth**  
**Secretary**

**Independent auditors' report to Firth Brothers Limited  
under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 5 to 21 together with the financial statements of Firth Brothers Limited for the year ended 31 December 2006 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company 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 as a body, for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin, we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 and the abbreviated accounts have been properly prepared in accordance with that provision.



**Harrisaccounts LLP  
Chartered Accountants and  
Registered Auditors**

**Marland House  
13 Huddersfield Road  
Barnsley  
South Yorkshire  
S70 2LW**

Date .....16/10/2007.....

**Firth Brothers Limited**

**Abbreviated profit and loss account  
for the year ended 31 December 2006**

		<b>Continuing operations</b>	
		<b>2006</b>	<b>2005</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Gross profit</b>		356,918	421,888
Distribution costs		(14,860)	(27,261)
Administrative expenses		(234,269)	(244,990)
<b>Operating profit</b>	<b>2</b>	<u>107,789</u>	<u>149,637</u>
Investment income	<b>3</b>	129,492	-
Other interest receivable and similar income	<b>4</b>	2	24,794
Interest payable and similar charges	<b>5</b>	<u>(57,365)</u>	<u>(55,145)</u>
<b>Profit on ordinary activities before taxation</b>		179,918	119,286
Tax on profit on ordinary activities	<b>7</b>	<u>(18,893)</u>	<u>(23,873)</u>
<b>Profit on ordinary activities after taxation</b>		<u>161,025</u>	<u>95,413</u>
<b>Retained profit for the year</b>	<b>16</b>	<u><u>161,025</u></u>	<u><u>95,413</u></u>

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 21 form an integral part of these financial statements.**

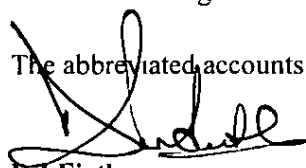
**Firth Brothers Limited**

**Abbreviated balance sheet  
as at 31 December 2006**

		2006		2005	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8		1,760,564		1,753,239
Investments	9		190,002		190,002
			<u>1,950,566</u>		<u>1,943,241</u>
<b>Current assets</b>					
Debtors	10				
falling due after more than one year			-		152,553
falling due within one year			198,915		53,192
Cash at bank and in hand			8,117		-
			<u>207,032</u>		<u>205,745</u>
<b>Creditors: amounts falling due within one year</b>	11		<u>(375,538)</u>		<u>(393,735)</u>
<b>Net current liabilities</b>			<u>(168,506)</u>		<u>(187,990)</u>
<b>Total assets less current liabilities</b>			1,782,060		1,755,251
<b>Creditors: amounts falling due after more than one year</b>	12		(494,006)		(569,222)
<b>Provisions for liabilities</b>	13		<u>(1,237)</u>		<u>(1,237)</u>
<b>Net assets</b>			<u>1,286,817</u>		<u>1,184,792</u>
<b>Capital and reserves</b>					
Called up share capital	15		100,000		100,000
Revaluation reserve	16		683,057		683,057
Profit and loss account	16		503,760		401,735
<b>Equity shareholders' funds</b>	17		<u>1,286,817</u>		<u>1,184,792</u>

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

The abbreviated accounts were approved by the Board on 16 October 2007 and signed on its behalf by

  
D I Firth  
Director

The notes on pages 8 to 21 form an integral part of these financial statements.



**Firth Brothers Limited**

**Cash flow statement  
for the year ended 31 December 2006**

	Notes	2006 £	2005 £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		107,789	149,637
Depreciation		57,398	42,639
Decrease in debtors		6,830	145,027
Increase in creditors		12,759	7,964
<b>Net cash inflow from operating activities</b>		<u>184,776</u>	<u>345,267</u>
<b>Cash flow statement</b>			
Net cash inflow from operating activities		184,776	345,267
Returns on investments and servicing of finance	21	72,129	(30,351)
Taxation	21	(29,776)	(60,393)
Capital expenditure and financial investment	21	(64,723)	(311,640)
		<u>162,406</u>	<u>(57,117)</u>
Equity dividends paid		(59,000)	(93,500)
		<u>103,406</u>	<u>(150,617)</u>
Financing	21	(82,673)	153,766
<b>Increase in cash in the year</b>		<u>20,733</u>	<u>3,149</u>
<b>Reconciliation of net cash flow to movement in net funds (Note 22)</b>			
<b>Increase in cash in the year</b>		20,733	3,149
Cash outflow from increase in debts and lease financing		82,673	(153,766)
Change in net funds resulting from cash flows		103,406	(150,617)
New finance leases and hire purchase contracts		-	(40,000)
<b>Movement in net funds in the year</b>		<u>103,406</u>	<u>(190,617)</u>
<b>Net debt at 1 January 2006</b>		<u>(672,800)</u>	<u>(482,183)</u>
<b>Net debt at 31 December 2006</b>		<u>(569,394)</u>	<u>(672,800)</u>

## **Firth Brothers Limited**

### **Notes to the abbreviated financial statements for the year ended 31 December 2006**

#### **1. Accounting policies**

##### **1.1 Accounting convention**

The accounts 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

##### **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

Land and buildings	- Nil
Leasehold properties	- Straight line over the life of the lease
Plant and machinery	- 15% per annum reducing balance
Motor vehicles	- 25% per annum 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

## **Firth Brothers Limited**

### **Notes to the abbreviated financial statements for the year ended 31 December 2006**

continued

#### **1.6. 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

#### **1.7. 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. Operating profit**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging		
Depreciation and other amounts written off tangible assets	48,968	35,709
Loss on disposal of tangible fixed assets	8,430	6,930
Auditors' remuneration	8,873	11,490

#### **3. Income from investments**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Income from subsidiary undertakings	129,492	-

**Firth Brothers Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2006**

continued

<b>4</b>	<b>Interest receivable and similar income</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	Bank interest	2	-
	Other interest	-	24,794
		<u>2</u>	<u>24,794</u>
<b>5.</b>	<b>Interest payable and similar charges</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	Interest payable on loans	56,082	52,793
	Hire purchase interest	1,283	1,182
	On overdue tax	-	1,170
		<u>57,365</u>	<u>55,145</u>
<b>6</b>	<b>Employees</b>		
	<b>Number of employees</b>	<b>2006</b>	<b>2005</b>
	The average monthly numbers of employees (including the directors) during the year were		
	Administration	<u>4</u>	<u>4</u>
	<b>Employment costs</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	Wages and salaries	138,565	138,960
	Social security costs	15,487	16,429
		<u>154,052</u>	<u>155,389</u>
<b>6.1.</b>	<b>Directors' emoluments</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	Remuneration and other emoluments	<u>129,085</u>	<u>129,480</u>

**Firth Brothers Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2006**

continued

**7. Tax on profit on ordinary activities**

<b>Analysis of charge in period</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax	16,980	27,863
Adjustments in respect of previous periods	1,913	771
	<u>18,893</u>	<u>28,634</u>
Total current tax charge	<u>18,893</u>	<u>28,634</u>
<b>Deferred tax</b>		
Timing differences, origination and reversal	-	(4,761)
Total deferred tax	<u>-</u>	<u>(4,761)</u>
Tax on profit on ordinary activities	<u>18,893</u>	<u>23,873</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 (30 per cent). The differences are explained below

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	<u>179,918</u>	<u>119,286</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (31 December 2005 19%)	53,975	22,664
<b>Effects of:</b>		
Expenses not deductible for tax purposes	3,495	4,668
Capital allowances for period in excess of depreciation	3,857	530
Adjustments to tax charge in respect of previous periods	1,913	771
Franked investment income	(38,848)	-
Marginal rate relief	(5,499)	-
Current tax charge for period	<u>18,893</u>	<u>28,633</u>

**Firth Brothers Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2006**

continued

8. Tangible fixed assets	Land and buildings freehold £	Long leasehold property £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost/revaluation</b>					
At 1 January 2006	1,300,000	302,349	66,721	261,493	1,930,563
Additions	-	-	-	71,957	71,957
Disposals	-	-	-	(64,535)	(64,535)
At 31 December 2006	<u>1,300,000</u>	<u>302,349</u>	<u>66,721</u>	<u>268,915</u>	<u>1,937,985</u>
<b>Depreciation</b>					
At 1 January 2006	-	-	43,884	133,440	177,324
On disposals	-	-	-	(48,871)	(48,871)
Charge for the year	-	-	3,426	45,542	48,968
At 31 December 2006	<u>-</u>	<u>-</u>	<u>47,310</u>	<u>130,111</u>	<u>177,421</u>
<b>Net book values</b>					
At 31 December 2006	<u>1,300,000</u>	<u>302,349</u>	<u>19,411</u>	<u>138,804</u>	<u>1,760,564</u>
At 31 December 2005	<u>1,300,000</u>	<u>302,349</u>	<u>22,837</u>	<u>128,053</u>	<u>1,753,239</u>

The land and buildings were valued as at the balance sheet date by the directors at £1,300,000, based upon professional advice received. The historical cost of the freehold land and buildings included in the above was £646,107 (2005 - £646,107) and the aggregate depreciation thereon would have been £189,112 (2005 - 176,190).

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

Asset description	2006		2005	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Motor vehicles	<u>31,532</u>	<u>10,511</u>	<u>42,043</u>	<u>6,006</u>

**Firth Brothers Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2006**

continued

9. Fixed asset investments	Subsidiary undertakings shares £	Total £
<b>Cost</b>		
At 1 January 2006		
At 31 December 2006	190,002	190,002
<b>Net book values</b>		
At 31 December 2006	190,002	190,002
At 31 December 2005	190,002	190,002

**9.1. 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
<b>Subsidiary undertaking</b>				
Firth Powerfix Limited	England	distributors	ordinary	95%

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 £
Firth Powerfix Limited	277,155	179,587

10 Debtors	2006 £	2005 £
Trade debtors	22,373	28,614
Amounts owed by group undertakings	166,053	152,553
Other debtors	10,489	11,575
Prepayments and accrued income	-	13,003
	198,915	205,745

**Firth Brothers Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2006**

continued

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

Amounts owed by group undertaking	-	<u>152,553</u>
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11. Creditors: amounts falling due within one year	2006 £	2005 £
Bank overdraft	-	12,616
Bank loan	41,739	53,862
Pension fund loan	31,766	27,100
Net obligations under finance leases and hire purchase contracts	10,000	10,000
Trade creditors	6,739	23,527
Amounts owed to participating interest	42,062	44,562
Corporation tax	16,980	27,863
Other taxes and social security costs	24,778	14,381
Directors' accounts	63,180	30,737
Other creditors	13,176	1,002
Accruals and deferred income	125,118	148,085
	<u>375,538</u>	<u>393,735</u>



**Firth Brothers Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2006**

continued

<b>12. Creditors: amounts falling due after more than one year</b>	<b>2006 £</b>	<b>2005 £</b>
Bank loan	455,136	484,752
Pension fund loan	21,370	57,803
Net obligations under finance leases and hire purchase contracts	17,500	26,667
	<u>494,006</u>	<u>569,222</u>
<b>Loans</b>		
Repayable in one year or less, or on demand (Note 11)	73,505	80,962
Repayable between one and two years	63,109	80,962
Repayable between two and five years	125,217	192,289
Repayable in five years or more	288,180	269,304
	<u>550,011</u>	<u>623,517</u>
 Repayable in five years or more		
 Bank loan	<u>288,180</u>	<u>269,304</u>
	<u>288,180</u>	<u>269,304</u>

National Westminster Bank plc hold a charge over the company's assets in respect of liabilities amounting to £496,875 (2005 - £551,230)

**13. Provisions for liabilities**

	<b>Deferred taxation (Note 14) £</b>	<b>Total £</b>
At 1 January 2006	1,237	1,237
At 31 December 2006	<u>1,237</u>	<u>1,237</u>

**Firth Brothers Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2006**

continued

<b>14. Provision for deferred taxation</b>	<b>2006</b>	<b>2005</b>	
	<b>£</b>	<b>£</b>	
Accelerated capital allowances	<u>1,237</u>	<u>1,237</u>	
Provision at 1 January 2006	<u>1,237</u>		
Provision at 31 December 2006	<u>1,237</u>		
<b>15 Share capital</b>	<b>2006</b>	<b>2005</b>	
	<b>£</b>	<b>£</b>	
<b>Authorised equity</b>			
90,150 Ordinary A shares of £1 each	90,150	90,150	
1,850 Ordinary B shares of £1 each	1,850	1,850	
4,000 Ordinary C shares of £1 each	4,000	4,000	
4,000 Ordinary D shares of £1 each	4,000	4,000	
	<u>100,000</u>	<u>100,000</u>	
<b>Allotted, called up and fully paid</b>			
90,150 Ordinary A shares of £1 each	90,150	90,150	
1,850 Ordinary B shares of £1 each	1,850	1,850	
4,000 Ordinary C shares of £1 each	4,000	4,000	
4,000 Ordinary D shares of £1 each	4,000	4,000	
	<u>100,000</u>	<u>100,000</u>	
<b>16. Equity Reserves</b>	<b>Revaluation reserve</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 January 2006</b>	683,057	401,735	1,084,792
Retained profit for the year		161,025	161,025
Equity Dividends		(59,000)	(59,000)
<b>At 31 December 2006</b>	<u>683,057</u>	<u>503,760</u>	<u>1,186,817</u>

**Firth Brothers Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2006**

continued

<b>17. Reconciliation of movements in shareholders' funds</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Profit for the year	161,025	95,413
Dividends	(59,000)	(93,500)
	<u>102,025</u>	<u>1,913</u>
Opening shareholders' funds	1,184,792	1,182,879
Closing shareholders' funds	<u>1,286,817</u>	<u>1,184,792</u>

**18 Contingent liabilities**

The amounts of guarantees of bank overdrafts of companies within the group amounted to £303,300 (2005 - £243,967)

## **Firth Brothers Limited**

### **Notes to the abbreviated financial statements for the year ended 31 December 2006**

continued

#### **19. Related party transactions**

<b>Related Party</b>	<b>Relationship</b>
Pamian Properties Limited	Common Directorship/ Shareholders

##### **Details**

Loan owing from the company as at 31st December 2006 amounted to £42,062 (2005 £44,562)

<b>Related Party</b>	<b>Relationship</b>
Firth Powerfix Limited	A Subsidiary of Firth Brothers Limited

##### **Details**

The company provided management advice and leased property, equipment and vehicles on normal commercial terms, income from which amounted to £315,742 (2005 £386,621) The trade balance owing to the company as at 31st December 2006 amounted to £13,425 (2005 £23,496) There was a loan owing to the company as at 31st December 2006 amounting to £166,053 (2005 £152,553)

The interest charged on the above loan amounted to £Nil (2005 £24,794)

Firth Powerfix Limited paid a dividend during the year amounting to £129,492 (2005 £Nil)

<b>Related Party</b>	<b>Relationship</b>
D I Firth	Director/Shareholder

##### **Details**

Loan owing from the company as at 31st December 2006 amounted to £56,909 (2005 £30,191)

<b>Related Party</b>	<b>Relationship</b>
Firth Powerfix Executive Pension Scheme	Directors of company and trustees of pension scheme

## **Firth Brothers Limited**

### **Notes to the abbreviated financial statements for the year ended 31 December 2006**

continued

#### **Details**

Loan owing from company as at 31st December 2006 amounted to £53,136 (2005 £84,903)

Interest paid by the company on above loan during the year was £5,362 (2005 £11,729)

#### **Related Party**

#### **Relationship**

Trupower Limited

Directors/Shareholders

#### **Details**

Loan owing to the company during the year the balance as at 31 December 2006 was £10,186 (2005 £10,183)

## **20 Post balance sheet events**

In August 2007 the company sold its share holding in Firth Powerfix Limited

**Firth Brothers Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2006**

continued

**21. Gross cash flows**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	2	24,794
Interest paid	(57,365)	(55,145)
Dividends received	129,492	-
	<u>72,129</u>	<u>(30,351)</u>
<b>Taxation</b>		
Corporation tax paid	<u>(29,776)</u>	<u>(60,393)</u>
<b>Capital expenditure and financial investment</b>		
Payments to acquire tangible assets	(71,957)	(344,681)
Payments to acquire investments	-	(2)
Receipts from sales of tangible assets	7,234	33,043
	<u>(64,723)</u>	<u>(311,640)</u>
<b>Financing</b>		
New long term bank loan	-	225,000
Repayment of short term bank loan	(41,739)	(38,751)
Repayment of other short term loans	(31,767)	(25,400)
Capital element of finance leases and hire purchase contracts	(9,167)	(7,083)
	<u>(82,673)</u>	<u>153,766</u>

**Firth Brothers Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2006**

continued

**22. Analysis of changes in net funds**

	<b>Opening balance</b>	<b>Cash flows</b>	<b>Other changes</b>	<b>Closing balance</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	-	8,117		8,117
Overdrafts	(12,616)	12,616		-
	<u>(12,616)</u>	<u>20,733</u>		<u>8,117</u>
Debt due within one year	(80,962)	73,506	(66,049)	(73,505)
Debt due after one year	(542,555)	-	66,049	(476,506)
Finance leases and hire purchase contracts	(36,667)	9,167	-	(27,500)
	<u>(660,184)</u>	<u>82,673</u>	<u>-</u>	<u>(577,511)</u>
<b>Net funds</b>	<u><u>(672,800)</u></u>	<u><u>103,406</u></u>	<u><u>-</u></u>	<u><u>(569,394)</u></u>