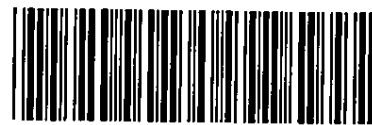


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INTERACTIVE (FLUE SYSTEMS) LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

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INTERACTIVE (FLUE SYSTEMS) LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2007**

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INTERACTIVE (FLUE SYSTEMS) LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2007

DIRECTORS:	M Culley R Van Rheenen
SECRETARY:	C Menke
REGISTERED OFFICE:	Tattershall House 19 St Catherine's Road Grantham Lincolnshire NG31 6TT
REGISTERED NUMBER:	2825217
AUDITORS:	Callow & Holmes Chartered Accountants Registered Auditor Tattershall House 19 St Catherine's Road Grantham Lincs, NG31 6TT

INTERACTIVE (FLUE SYSTEMS) LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2007

The directors present their report with the financial statements of the company for the year ended 31 December 2007

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the sale of parts used in central heating boilers

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2007 to the date of this report

M Culley
R Van Rheenen

STATEMENT OF 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 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Callow & Holmes, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



C Menke - Secretary

18 February 2008

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
INTERACTIVE (FLUE SYSTEMS) LIMITED**

We have audited the financial statements of Interactive (Flue Systems) Limited for the year ended 31 December 2007 on pages five to nine. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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

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 on page two.

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 Report of the Directors 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 Report of the Directors 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.


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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
INTERACTIVE (FLUE SYSTEMS) LIMITED**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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 Report of the Directors is consistent with the financial statements

A handwritten signature in dark ink, appearing to read 'Callow & Holmes', followed by a stylized flourish.

Callow & Holmes
Chartered Accountants
Registered Auditor
Tattershall House
19 St Catherine's Road
Grantham
Lincs, NG31 6TT

18 February 2008

INTERACTIVE (FLUE SYSTEMS) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Notes	2007	2006
		£	£
TURNOVER		11,161,687	10,972,956
Cost of sales		<u>10,511,646</u>	<u>10,491,762</u>
GROSS PROFIT		650,041	481,194
Distribution costs		2,080	2,920
Administrative expenses		<u>342,594</u>	<u>222,687</u>
		344,674	225,607
OPERATING PROFIT	2	305,367	255,587
Interest receivable and similar income		<u>7,683</u>	<u>4,069</u>
		313,050	259,656
Interest payable and similar charges		<u>-</u>	<u>4,380</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		313,050	255,276
Tax on profit on ordinary activities	4	<u>94,424</u>	<u>78,452</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>218,626</u>	<u>176,824</u>

The notes form part of these financial statements


INTERACTIVE (FLUE SYSTEMS) LIMITED

**BALANCE SHEET
31 DECEMBER 2007**

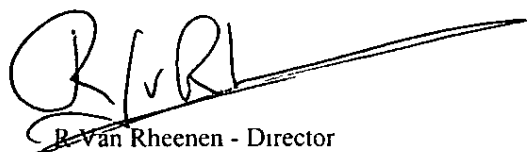
	Notes	2007 £	£	2006 £	£
FIXED ASSETS					
Tangible assets	6		1		2,081
CURRENT ASSETS					
Stocks		8,516		6,324	
Debtors	7	2,242,325		3,130,004	
Cash at bank		168,970		91,701	
		<u>2,419,811</u>		<u>3,228,029</u>	
CREDITORS					
Amounts falling due within one year	8	<u>2,287,156</u>		<u>2,516,080</u>	
NET CURRENT ASSETS			<u>132,655</u>		<u>711,949</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u><u>132,656</u></u>		<u><u>714,030</u></u>
CAPITAL AND RESERVES					
Called up share capital	9		100		100
Profit and loss account	10		<u>132,556</u>		<u>713,930</u>
SHAREHOLDERS' FUNDS			<u><u>132,656</u></u>		<u><u>714,030</u></u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007)

The financial statements were approved by the Board of Directors on 18 February 2008 and were signed on its behalf by



M Culley - Director



R Van Rheen - Director

The notes form part of these financial statements

INTERACTIVE (FLUE SYSTEMS) LIMITED

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

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Fixtures and fittings - 20% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account

2 OPERATING PROFIT

The operating profit is stated after charging

	2007	2006
	£	£
Depreciation - owned assets	2,080	2,920
Pension costs	6,213	5,229
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	50,667	56,128
	<u> </u>	<u> </u>

3 EXCEPTIONAL ITEM

The exceptional item represents currency losses suffered on the conversion of Euro receipts from customers and on the balance of Euro trade debtors at the year end

INTERACTIVE (FLUE SYSTEMS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2007**

4 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	2007 £	2006 £
Current tax		
UK corporation tax	94,424	78,452
	<u>94,424</u>	<u>78,452</u>
Tax on profit on ordinary activities	<u>94,424</u>	<u>78,452</u>

5 DIVIDENDS

	2007 £	2006 £
Ordinary shares of £1 each		
Final	800,000	-
	<u>800,000</u>	<u>-</u>

6 TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1 January 2007 and 31 December 2007	17,978
DEPRECIATION	
At 1 January 2007	15,897
Charge for year	2,080
	<u>17,977</u>
At 31 December 2007	
NET BOOK VALUE	
At 31 December 2007	1
	<u>1</u>
At 31 December 2006	2,081
	<u>2,081</u>

7 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Trade debtors	2,236,825	3,124,504
Other debtors	5,500	5,500
	<u>2,242,325</u>	<u>3,130,004</u>

INTERACTIVE (FLUE SYSTEMS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2007**

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Corporation tax	34,424	18,452
Social security and other taxes	3,173	11,079
VAT	226,542	338,868
Proposed dividends	800,000	-
Other creditors	683	963
Group creditor	1,216,816	2,141,700
Directors' current accounts	518	518
Accrued expenses	5,000	4,500
	<u>2,287,156</u>	<u>2,516,080</u>

9 CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid			2007	2006
Number	Class	Nominal value	£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

10 RESERVES

	Profit and loss account £
At 1 January 2007	713,930
Profit for the year	218,626
Dividends	<u>(800,000)</u>
At 31 December 2007	<u>132,556</u>

11 ULTIMATE PARENT COMPANY

The ultimate parent company is M&G Holding BV, a company registered and trading in Holland

12 RELATED PARTY DISCLOSURES

The company buys all its raw materials from interActive bouwprodukten bv, a fellow group subsidiary. The company also pays a management charge to its parent company. At the year end the company owed interActive group companies in Holland £1,216,816 (2006- £2,141,700). All trading between the companies is on an arms length basis.