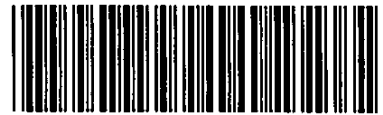


SPIRE GROUP LIMITED
AND IT'S SUBSIDIARY COMPANIES
REPORT AND FINANCIAL STATEMENTS
31ST MARCH 2011

Registered number. 03522780

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COMPANIES HOUSE

EDWARDS
Chartered Accountants
Registered Auditor

SPIRE GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2011

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SPIRE GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

COMPANY INFORMATION FOR THE YEAR ENDED 31ST MARCH 2011

Incorporated	in England & Wales on 6th March 1998
Registered Number	03522780
Directors	G L Brown S G Jones (Appointed 4 March 2011)
Registered Office	Kenrick Buildings Union Street West Bromwich West Midlands B70 6DB
Auditors	Edwards Chartered Accountants Harmony House 34 High Street Aldridge Walsall West Midlands WS9 8LZ
Bankers	Barclays Bank plc 15 Colmore Row Birmingham West Midlands B3 2EP

SPIRE GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH 2011

The directors present their report and the audited financial statements for the year ended 31st March 2011

Principal activity

The principal activities of the group during the year were the manufacture of door and window hardware, castors, hardware, zinc die-casting, domestic kitchen tools and tabletop textiles

Business review

The group balance sheet as detailed on page 7 shows a satisfactory position with shareholders' funds amounting to £4,673,030 and net current assets of £10,614,345 including cash and other liquid assets amounting to £7,154,079

It was my intention to provide a "Statement of Government Responsibilities" and their performance in this year's Directors Report but in view of the daily dose of hubris and incompetence from Westminster I have decided to give it a miss By this time next year UK plc may well be bankrupt due to their criminal irresponsibility

Research and development

Research and development is a continuing activity for the development of products incorporating the latest technology to meet customer requirements

Fixed assets

The movement of fixed assets are shown in the notes to the financial statements

Results and dividends

The results for the year's trading, the financial position of the group and the transfer to reserves are shown in the annexed financial statements The group's loss retained for the financial year amounted to £904,142 (2010 – loss £609,677) The director declared dividends of £Nil (2010 - £600,000)

Directors

The following were directors during the year and since the year end

G L Brown
S G Jones (appointed 4 March 2011)

The company's Articles of Association do not require directors to retire by rotation

Freehold land and buildings

In the opinion of the director there is no significant difference between the present market value of the group's properties and the amounts at which they are stated in the financial statements Details are set out in note 10

SPIRE GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH 2011

Financial risk management objectives and policies

The Group finances its operations through retained profits, bank accounts and investments

The directors' objectives are to retain sufficient liquid funds to enable the Group to meet its day to day obligations as they fall due and to maximise returns on funds. The directors also seek to minimise the Group's exposure to foreign exchange movements by carefully monitoring exchange rate fluctuations and purchasing currency forward.

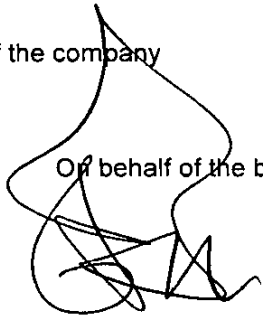
The company's funds are held primarily in deposit accounts and as investments. The directors believe that this gives them the flexibility to release cash resources at short notice and also allows them to take advantage of changing conditions in the finance markets as they arise.

Close company status

The company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

Auditors

Edwards have agreed to offer themselves for re-appointment as auditors of the company.

Off behalf of the board

G L Brown – Director

Kenrick Buildings
Union Street
West Bromwich
West Midlands
B70 6DB

13 December 2011

SPIRE GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENT OF DIRECTOR'S RESPONSIBILITIES FOR THE YEAR ENDED 31ST MARCH 2011

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 group and of the profit or loss of the company and of the group for that period. In preparing those 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,
- state whether applicable accounting policies have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 that disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

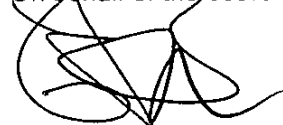
The above statements have been prepared by our Auditors and Accountants which we understand are a statutory requirement placed on the company director. We must make it clear, however, that we did not personally prepare the financial statements or maintain the accounting records and are dependent on our staff and external accountants and auditors for these functions. The statutory requirements are totally impractical and unnecessary for privately owned companies and were no doubt devised by Government employed lawyers and accountants who have no perception of running a business and have never made a contribution to anything productive in their entire lives. The directors, therefore, take no responsibility for the detailed accuracy of the accounts and have signed this Report on the basis that, to the best of their belief and knowledge, the accompanying financial statements are correct.

It should also be pointed out that business owners are, in general, very honest and that fraud and other underhanded acts are more commonly found among politicians, HM Revenue & Customs, the HSE, the Department of the Environment, the DTI and similar Government bodies. Next on the list comes multinationals, public companies and larger business interests with executives that contribute to political parties in return for favours.

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 any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



G L Brown – Director

13 December 2011

SPIRE GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2011

Independent Auditors' Report to the Shareholders of Spire Group Limited

We have audited the financial statements of Spire Group Limited for the year ended 31 March 2011 which comprise the consolidated profit and loss account, the consolidated balance sheet, the company balance sheet the consolidated cash flow statement and the related notes. 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 Chapter 3 of Part 16 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit 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 page 4, 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 (APB's) Ethical Standards for Auditors.

Scope of the Audit

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. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and company's affairs as at 31 March 2011 and of their result 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

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.

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 of the information and explanations we require for our audit

D C P Webb FCA (Senior Statutory Auditor)

For and on behalf of Edwards Chartered Accountants

Registered Auditors

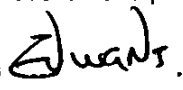
Harmony House

34 High Street

Aldridge

Walsall

WS9 8LZ



13 December 2011

SPIRE GROUP LIMITED AND ITS SUBSIDIARY COMPANIES**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2011**

	Note	2011 £	2010 £
Turnover	2	6,973,551	6,351,301
Cost of sales		(5,432,299)	(4,754,678)
Gross profit		1,541,252	1,596,623
Distribution costs		(119,258)	(139,734)
Administrative expenses		(1,385,747)	(1,723,387)
Other operating income		215,454	695,920
Operating profit	3	251,701	429,422
Interest payable	6	(1,155,843)	(1,039,099)
Loss on ordinary activities before taxation		(904,142)	(609,677)
Taxation	7	-	-
Loss retained for the financial year	19	(904,142)	(609,677)

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

All amounts relate to continuing operations

SPIRE GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET AT 31ST MARCH 2011

	Note	2011		2010	
		£	£	£	£
Fixed assets					
Intangible assets	9		1		1
Tangible assets	10	2,309,745		3,217,614	
Investments	11	843,607		789,418	
			3,153,353		4,007,033
Current assets					
Stocks	12	3,139,224	1,953,753		
Debtors	13	2,868,476	4,187,046		
Investments	14	1,258,683	1,189,454		
Cash at bank and in hand		7,154,079	6,110,903		
		14,420,462	13,441,156		
Creditors. amounts falling due within one year	15	(3,806,117)	(3,614,992)		
Net current assets		10,614,345		9,826,164	
Total assets less current liabilities		13,767,698		13,833,197	
Creditors: amounts falling due after more than one year	16	(9,094,668)	(8,256,025)		
Net assets		4,673,030		5,577,172	
Capital and reserves (equity)					
Called up share capital	18		13		13
Share premium account	19	5,031,345		5,031,345	
Profit and loss account	19	(358,328)		545,814	
Total shareholders' funds	20	4,673,030		5,577,172	

These financial statements are signed in order to comply with the requirements of the Companies Act, without personal verification

The financial statements on pages 6 to 23 were approved by the board of directors and authorised for issue on 18 December 2011

G L Brown – Director
Company Registration Number: 03522780

SPIRE GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

COMPANY BALANCE SHEET AT 31ST MARCH 2011

	Note	£	2011 £	£	2010 £
Fixed assets					
Tangible assets	10		2,298,772		3,190,056
Investments	11		1,884,298		1,830,109
			<u>4,183,070</u>		<u>5,020,165</u>
Current assets					
Stocks	12	1,910,616		851,388	
Debtors	13	3,055,980		4,092,806	
Investments	14	1,258,683		1,189,454	
Cash at bank and in hand		6,341,617		5,664,165	
			<u>12,566,896</u>	<u>11,797,813</u>	
Creditors: amounts falling due within one year	15	(2,942,613)		(2,839,084)	
			<u>9,624,283</u>	<u>8,958,729</u>	
Net current assets					
			<u>13,807,353</u>	<u>13,978,894</u>	
Total assets less current liabilities					
Creditors. amounts falling due after more than one year	16		(9,094,668)		(8,256,025)
			<u>4,712,685</u>	<u>5,722,869</u>	
Net assets					
Capital and reserves (equity)					
Called up share capital	18		13		13
Share premium account	19		5,031,345		5,031,345
Profit and loss account	19		(318,673)		691,511
			<u>4,712,685</u>	<u>5,722,869</u>	
Total shareholders' funds	20				

These financial statements are signed in order to comply with the requirements of the Companies Act, without personal verification

The financial statements on pages 6 to 23 were approved by the board of directors and authorised for issue on 13 December 2011

G L Brown – Director
Company Registration Number: 03522780

SPIRE GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

	Note	£	2011 £	£	2010 £
Net cash inflow/(outflow) from operating activities	24a		1,664,552		(2,491,389)
Return on investments and servicing of finance					
Interest paid - shareholders		(197,200)		(205,200)	
Interest paid - other		-		(1)	
Cash outflow from returns on investments and servicing of finance			(197,200)		(205,201)
Taxation					
UK corporation tax paid			-		(31,503)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(207,006)		(8,211)	
Receipts from sales of tangible fixed assets		-		620,000	
Purchase of fixed asset investments		(445,767)		(278,893)	
Receipts from sales of fixed asset investments		349,158		159,059	
Net cash (outflow)/inflow from capital expenditure and financial investment			(303,615)		491,955
Equity dividends paid			-		(600,000)
Net cash inflow/(outflow) before financing			1,163,737		(2,836,138)
Financing					
Repayments of shareholders' loan capital	24b	(120,000)		-	
Cash outflow from financing			(120,000)		-
Increase/(decrease) in cash			1,043,737		(2,836,138)

SPIRE GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2011

Compliance with accounting standards

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) There were no material departures from those standards

1 Principal accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below and have been consistently applied

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets

Depreciation

Depreciation has been computed to write off the cost or valuation of tangible fixed assets over their expected useful lives using the following rates

Freehold land	-	No depreciation
Freehold buildings	-	Nil to 4%
Leasehold property	-	Equal instalments over the period of the lease
Plant and machinery	-	20% per annum of cost
Fixtures and fittings	-	20% per annum of cost
Motor vehicles	-	33 3% per annum of cost

Stocks and work in progress

Stocks and work in progress have been valued at the lower of cost and net realisable value In respect of work in progress and finished goods, cost includes a relevant proportion of overheads according to the stage of manufacture/completion

Deferred taxation

Deferred tax is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future

Research and development

Expenditure on research and development is written off against profits in the period in which it is incurred

Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction All differences are taken to the profit and loss account

Investments

Fixed asset investments are stated at cost less provision for diminution in value Current asset investments are stated at the lower of cost and net realisable value

SPIRE GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2011

1 Principal accounting policies (continued)

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Leasing

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors. Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Goodwill

Goodwill is written off against reserves in the year of acquisition.

Pension costs

The group operates a defined contribution pension scheme for certain employees. Contributions to the scheme are charged to the profit and loss account as they are incurred.

Consolidation

The group accounts consolidate the accounts of the company and all its subsidiary undertakings at 31st March 2011 using acquisition accounting. As permitted by Section 408 of the Companies Act 2006, the parent company has not presented its own profit and loss account.

2 Turnover

The group's turnover represents the value, excluding value added tax, of goods and services supplied to customers during the year. The analysis of turnover by geographical area is as follows:

	2011 £	2010 £
United Kingdom	6,408,524	5,841,242
Europe	106,874	101,831
Rest of the World	458,153	408,228
	<hr/>	<hr/>
	6,973,551	6,351,301
	<hr/>	<hr/>

SPIRE GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2011

3 Operating profit

	2011 £	2010 £
Operating profit is stated after charging		
Auditor's remuneration for audit services – parent company	10,700	12,900
Auditor's remuneration for audit services – subsidiary undertakings	15,350	13,950
Depreciation and amortisation of owned assets	20,449	25,783
Decrease in market value of fixed asset investments	42,420	-
Research and development expenses	82,581	57,908
Exceptional item	67,367	452,754
	<u> </u>	<u> </u>
and after crediting		
Increase in market value of fixed asset investments	-	257,722
Profit on sale of tangible fixed assets	-	192,371
Profit on foreign currency translation	110,224	31,114
	<u> </u>	<u> </u>

The exceptional item in the year relates to amounts written off in respect of bank guarantees provided for subsidiary undertakings previously included in the group

4 Directors' remuneration

	2011 £	2010 £
Emoluments for qualifying services	143,947	160,000
Company pension contributions to money purchase schemes	210	-
	<u> </u>	<u> </u>
	144,157	160,000
	<u> </u>	<u> </u>
Number of directors receiving pension benefits	1	-
	<u> </u>	<u> </u>

5 Staff costs

The average monthly number of persons employed by the group, including directors, during the year was as follows

	2011 Number	2010 Number
Management and administration	16	16
Sales	6	5
Production	50	50
	<u> </u>	<u> </u>
	72	71
	<u> </u>	<u> </u>

SPIRE GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2011

5 Staff costs (continued)

	2011 £	2010 £
The aggregate payroll costs of these persons were as follows		
Wages and salaries	1,357,252	1,352,185
Social security costs	132,184	128,469
Other pension costs	19,195	19,717
	<u>1,508,631</u>	<u>1,500,371</u>

6 Interest payable

	2011 £	2010 £
Interest on shareholders' loans	1,155,843	1,039,098
Other interest	-	1
	<u>1,155,843</u>	<u>1,039,099</u>

7 Taxation

	2011 £	2010 £
Current year.		
UK Corporation tax charge	-	-
Prior year.		
UK Corporation tax over provision	-	-
	<u>-</u>	<u>-</u>

SPIRE GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2011

7 Taxation (continued)

	2011 £	2010 £
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	(904,142)	(609,677)
Loss on ordinary activities multiplied by standard rate of UK corporation tax of 28% (2010 - 28%)	(253,160)	(170,710)
Effects of		
Non-deductible expenses	245,865	114,570
Depreciation	5,726	7,219
Capital allowances	(7,321)	(10,504)
Tax losses brought forward and used in the year	-	(62,793)
Tax losses generated in the year and carried forward	1,151	56,171
Profit on disposal of tangible fixed assets	-	(53,864)
Exceptional item (note 3)	18,863	126,771
Research and development tax credit adjustments	(11,124)	(6,860)
	253,160	170,710
	-	-

A deferred tax asset has not been recognised as it is not certain that this will lead to a transfer of economic benefits in the future

Trading losses carried forward at 31st March 2011 amount to £470,242 (2010 - £466,132)

8 Dividends

	2011 £	2010 £
Ordinary paid	-	600,000

SPIRE GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2011

9 Intangible fixed assets

Group:

	Property Rights £
Cost.	
At 1st April 2010 and 31st March 2011	1
Amortisation:	
At 1st April 2010 and 31st March 2011	-
Net book amount.	
At 31st March 2010 and 31st March 2011	1

10 Tangible fixed assets

Group:	Fixtures and Fittings £	Freehold Land and Buildings £	Motor Vehicles £	Plant and Machinery £	Total £
Cost:					
At 1st April 2010	422,952	3,189,996	6,800	5,848,382	9,468,130
Additions	-	198,075	5,931	3,000	207,006
Disposals	-	-	-	-	-
Transfers to work in progress	-	(1,094,426)	-	-	(1,094,426)
At 31st March 2011	422,952	2,293,645	12,731	5,851,382	8,580,710
Depreciation:					
At 1st April 2010	421,830	-	6,800	5,821,886	6,250,516
Charge for the year	1,102	-	824	18,523	20,449
Disposals	-	-	-	-	-
At 31st March 2011	422,932	-	7,624	5,840,409	6,270,965
Net book amount.					
At 31st March 2011	20	2,293,645	5,107	10,973	2,309,745
At 31st March 2010	1,122	3,189,996	-	26,496	3,217,614

SPIRE GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2011

10 Tangible fixed assets (continued)

Company:	Fixtures and Fittings £	Freehold Land and Buildings £	Motor Vehicles £	Total £
Cost:				
At 1st April 2010	3,076	3,189,996	6,800	3,199,872
Additions	-	198,075	5,931	204,006
Disposals	-	-	-	-
Transfer to work in progress	-	(1,094,426)	-	(1,094,426)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 2011	3,076	2,293,645	12,731	2,309,452
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation.				
At 1st April 2010	3,016	-	6,800	9,816
Charge for the year	40	-	824	864
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 2011	3,056	-	7,624	10,680
	<hr/>	<hr/>	<hr/>	<hr/>
Net book amount.				
At 31st March 2011	20	2,293,645	5,107	2,298,772
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 2010	60	3,189,996	-	3,190,056
	<hr/>	<hr/>	<hr/>	<hr/>

SPIRE GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2011

11 Fixed asset investments

Group

Cost:	Unlisted Investments £	Listed Investments £	Total £
At 1st April 2010	-	789,418	789,418
Additions	6,000	439,767	445,767
Disposals	-	(349,158)	(349,158)
Movement in market value	-	(42,420)	(42,420)
	<hr/>	<hr/>	<hr/>
At 31st March 2011	6,000	837,607	843,607
	<hr/>	<hr/>	<hr/>
Provisions:			
At 1st April 2010	-	-	-
Charge for the year	-	-	-
	<hr/>	<hr/>	<hr/>
At 31st March 2011	-	-	-
	<hr/>	<hr/>	<hr/>
Net book amount:			
At 31st March 2011	6,000	837,607	843,607
	<hr/>	<hr/>	<hr/>
At 31st March 2010	-	789,418	789,418
	<hr/>	<hr/>	<hr/>

SPIRE GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2011

11 Fixed asset investments (continued)

Company.	Listed Investments £	Unlisted Investments £	Shares in Group Undertakings £	Total £
Cost.				
At 1st April 2010	789,418	-	2,368,448	3,157,866
Additions	439,767	6,000	-	445,767
Disposals	(349,158)	-	-	(349,158)
Movement in market value	(42,420)	-	-	(42,420)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 2011	837,607	6,000	2,368,448	3,212,055
	<hr/>	<hr/>	<hr/>	<hr/>
Provisions.				
At 1st April 2010	-	-	1,327,757	1,327,757
Charge for the year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 2011	-	-	1,327,757	1,327,757
	<hr/>	<hr/>	<hr/>	<hr/>
Net book amount:				
At 31st March 2011	837,607	6,000	1,040,691	1,884,298
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 2010	789,418	-	1,040,691	1,830,109
	<hr/>	<hr/>	<hr/>	<hr/>

The company owns the whole of the issued share capital of the following companies, all of which are registered in England and Wales. The results for all subsidiaries are included in the consolidated financial statements.

Subsidiary	Principal Activity
Spire Homewares Limited	Manufacture and sale of castors, hardware, zinc alloy and aluminium components
Spire Creative Products Limited	Manufacture and design of textiles and can openers
Ingleby (1084) Limited	Property rights
Air Industrial Developments Limited	Design and manufacture of paint spraying plant, die-casting machines and electrical control gear

SPIRE GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2011

12 Stocks and work in progress

	2011		2010	
	Group £	Company £	Group £	Company £
Finished goods	1,019,642	-	910,664	-
Work in progress	116,985	-	116,713	-
Long-term work in progress	1,910,616	1,910,616	851,388	851,388
Raw materials	91,981	-	74,988	-
	<u>3,139,224</u>	<u>1,910,616</u>	<u>1,953,753</u>	<u>851,388</u>

The replacement cost of the above stock would not be significantly different from the values stated

13 Debtors

	2011		2010	
	Group £	Company £	Group £	Company £
Trade debtors	1,163,880	4,130	1,102,523	73,432
Other debtors	1,619,116	1,609,559	2,990,508	2,733,635
Prepayments and accrued income	85,480	6,806	94,015	2,878
Amount owed by group undertakings	-	1,435,485	-	1,282,861
	<u>2,868,476</u>	<u>3,055,980</u>	<u>4,187,046</u>	<u>4,092,806</u>

14 Investments

	2011		2010	
	Group £	Company £	Group £	Company £
Listed investments	<u>1,258,683</u>	<u>1,258,683</u>	<u>1,189,454</u>	<u>1,189,454</u>
Listed investments are stated at the lower of cost and net realisable value				
Market value at 31st March	<u>1,258,683</u>	<u>1,258,683</u>	<u>1,189,454</u>	<u>1,189,454</u>

SPIRE GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2011

15 Creditors: amounts falling due within one year

	2011		2010	
	Group £	Company £	Group £	Company £
Bank overdraft (secured)	967,765	-	968,326	-
Trade creditors	749,101	177,717	625,839	39,485
Amounts owed to group undertakings	-	1,074,935	-	1,093,548
Other creditors	1,631,139	1,625,880	1,678,547	1,621,226
Other taxes and social security	130,947	13,406	96,534	61,927
Accruals and deferred income	327,165	50,675	245,746	22,898
	<u>3,806,117</u>	<u>2,942,613</u>	<u>3,614,992</u>	<u>2,839,084</u>

The bank overdraft is secured by way of a fixed and floating debenture charge dated 23 October 2006 over a subsidiary company's assets

16 Creditors: amounts falling due after more than one year

	2011		2010	
	Group £	Company £	Group £	Company £
Shareholders' loans (note 21)	9,094,668	9,094,668	8,256,025	8,256,025
	<u>9,094,668</u>	<u>9,094,668</u>	<u>8,256,025</u>	<u>8,256,025</u>

Loans from shareholders are secured on the assets of the company, have no fixed date for repayment and carry interest at 14%

17 Maturity of debt included within creditors

	2011		2010	
	Group £	Company £	Group £	Company £
In less than one year	967,765	-	968,326	-
Between one and two years	-	-	-	-
Between two and five years	1,805,972	1,805,972	1,925,972	1,925,972
After more than five years	-	-	-	-
	<u>2,773,737</u>	<u>1,805,972</u>	<u>2,894,298</u>	<u>1,925,972</u>

SPIRE GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2011

18 Share capital

	2011		2010	
	Number of shares	£	Number of shares	£
Allotted, called up and fully paid:				
Ordinary share capital	130,036	13	130,036	13

19 Reserves

Profit and loss account	2011	
	Group £	Company £
Balance at 31st March 2010	545,814	691,511
Loss for the year	(904,142)	(1,010,184)
Balance at 31st March 2011	(358,328)	(318,673)
Share premium account		
Balance at 31st March 2010 and 31st March 2011	5,031,345	5,031,345

The amount of the group loss for the financial year, dealt with in accounts of the parent company, was a loss of £1,010,184 (2010 profit – £168,971)

SPIRE GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2011

20 Reconciliation of movements in shareholders' funds

	2011		2010	
	Group £	Company £	Group £	Company £
(Loss)/profit for the financial year	(904,142)	(1,010,184)	(609,677)	768,971
Dividends	-	-	(600,000)	(600,000)
Opening shareholders' funds	5,577,172	5,722,869	6,786,849	5,553,898
Closing shareholders' funds	4,673,030	4,712,685	5,577,172	5,722,869

21 Related party transactions

Included in creditors are shareholders' loans and accrued interest thereon. The shareholders are G L Brown and members of his family. The outstanding balances at the year end are as follows:

	2011		2010	
	Group £	Company £	Group £	Company £
Capital balances	1,805,972	1,805,972	1,925,972	1,925,972
Accrued interest	7,288,696	7,288,696	6,330,053	6,330,053
	9,094,668	9,094,668	8,256,025	8,256,025

G L Brown is a director and majority shareholder of 77GLB Limited and Powerstream Services Limited. At 31st March 2011, included in debtors is an amount of £22,100 (2010 - £545,805) payable by the above companies and, included in creditors is an amount of £1,622,961 (2010 - £1,594,774) payable to the above companies.

Spire Group Limited is a member of Stapleford Associates LLP. During the year the company made loan advances to Stapleford Associates LLP on a commercial basis amounting to £Nil (2010 - £2,366,646). In addition, the company charged interest on a daily basis on these advances amounting to £49,549 (2010 - £36,677) and received profit share of £5,531 (2010 - £31,234). At 31st March 2011, included in debtors is an amount of £1,546,061 (2010 - £2,435,282) payable to the company from Stapleford Associates LLP.

22 Pension costs

The group operates a defined contribution pension scheme for certain employees. Contributions are charged to the profit and loss account as they are incurred. The charge for the period was £19,195 (2010 - £19,717). There were no outstanding pension contributions at 31st March 2011 (£Nil) (2010 - £Nil).

23 Ultimate controlling party

As the majority shareholder, G L Brown is the ultimate controlling party of the group.

SPIRE GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2011

24 Notes to the consolidated cash flow statement

(a) Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

	2011 £	2010 £
Operating profit	251,701	429,422
Depreciation	20,449	25,783
Decrease/(increase) in market value of fixed asset investments	42,420	(257,722)
Increase in market value of current asset investments	(69,229)	(95,261)
Profit on sale of tangible fixed assets	-	(192,371)
Increase in stocks	(91,045)	(230,212)
Decrease/(increase) in debtors	1,318,570	(2,362,767)
Increase in creditors	191,686	191,739
Net cash inflow/(outflow) from operating activities	1,664,552	(2,491,389)

(b) Reconciliation of net cash inflow/(outflow) to movement in net funds

	2011 £	2010 £
Increase/(decrease) in cash in the year	1,043,737	(2,836,138)
Cash outflow from decrease in loan capital	120,000	-
Changes in net funds resulting from cash flows	1,163,737	(2,836,138)
Increase in market value of current asset investments	69,229	95,261
Net funds at the start of the year	4,406,059	7,146,936
Net funds at the end of the year	5,639,025	4,406,059

(c) Analysis of changes in net funds

	At 1st April 2010 £	Cash Flows £	Other Changes £	At 31st March 2011 £
Cash at bank and in hand	6,110,903	1,043,176	-	7,154,079
Bank overdraft	(968,326)	561	-	(967,765)
Debt due after one year	(1,925,972)	120,000	-	(1,805,972)
Current asset investments	1,189,454	-	69,229	1,258,683
	4,406,059	1,163,737	69,229	5,639,025