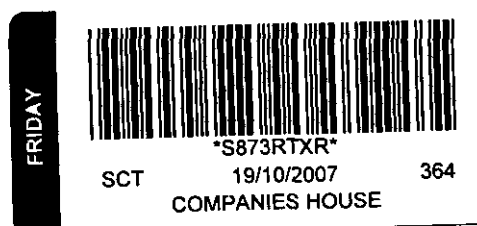


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**MAJOR'S PLACE INDUSTRIES LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2007**



**MAJOR'S PLACE INDUSTRIES LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	J Lambie Sir A Grossart CBE DL B J W Lambie
<b>SECRETARY</b>	R Dalgetty ACMA
<b>COMPANY NUMBER</b>	SC 75748
<b>REGISTERED OFFICE</b>	Russell Road Edinburgh EH11 2LS
<b>AUDITOR</b>	Reeves+Neylan LLP Chartered Accountants & Registered Auditor Colechurch House 1 London Bridge Walk London SE1 2SX
<b>BANKERS</b>	Royal Bank of Scotland plc 1 Chesser Avenue Edinburgh EH14 1TB
<b>SOLICITORS</b>	Todds, Murray, W S Edinburgh Quay 133 Fountain Bridge Edinburgh EH3 9AG

# MAJOR'S PLACE INDUSTRIES LIMITED

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Consolidated profit and loss account	5
Consolidated balance sheet	6
Company balance sheet	7
Consolidated cash flow statement	8
Notes forming part of the financial statements	9 19

# MAJOR'S PLACE INDUSTRIES LIMITED

## DIRECTORS' REPORT For the year ended 31 January 2007

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

### PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The company's principal activity is that of an investment holding company. The activity of the group is that of architectural metal workers.

Turnover of the group increased by 18.8% to £15.93m whilst gross profit increased by 24.1% to £2.27m. Overall the profit on ordinary activities before taxation increased from £0.62m to £1.0m.

At the end of the year the group had shareholders funds of £3.51m (2006: £3.37m) including distributable profits of £2.99m. The directors therefore believe the company's position to be satisfactory especially as the group's current assets exceeds its current liabilities by £2.09m (2006: £1.83m). The group continues to operate strongly in its UK market sector in which it is an acknowledged leader and has been awarded significant ongoing new work resulting in a buoyant order book with good profit potential.

The directors continue to assess the main risk facing the group as being the significant increase in material costs being implemented by all major suppliers.

The directors continue to mitigate these risks with good relationships with suppliers and customers. The directors anticipate further opportunities in the market which should result in continued growth and satisfactory trading results in the coming year.

### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £693,523 (2006: £446,204). Particulars of dividends paid are detailed in Note 8 to the financial statements.

### FINANCIAL INSTRUMENTS

Details of the company's financial risk management objectives and policies are included in note 17 to the financial statements.

### DIRECTORS

The directors who served during the year and their beneficial interests in the company's issued share capital was

	Ordinary shares of £1 each	
	31/1/07	1/2/06
J Lambie	38,659	38,659
Sir A Grossart	2,115	2,115
B J W Lambie	Nil	

# MAJOR'S PLACE INDUSTRIES LIMITED

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## DIRECTORS' REPORT For the year ended 31 January 2007

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### DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and 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 group and of the profit or loss 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,  
prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business

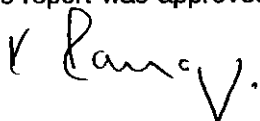
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the directors are aware at the time the report is approved, there is no relevant audit information of which the group's auditors are unaware and the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

### AUDITORS

Reeves+Neylan LLP have expressed their willingness to continue in office and a resolution to re appoint them will be proposed at the Annual General Meeting.

This report was approved by the board on 28 September 2007 and signed on its behalf



**K Ramage**  
alternate to

**R Dalgetty ACMA**  
Secretary

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MAJOR'S PLACE INDUSTRIES LIMITED**

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We have audited the financial statements of Major's Place Industries Limited for the year ended 31 January 2007 set out on pages 5 to 19. These financial statements have been prepared under the accounting policies set out therein.

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 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 AUDITOR**

As described in the Statement of Director's Responsibilities on page 2 the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**BASIS OF AUDIT OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company and the group, 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.

**MAJOR'S PLACE INDUSTRIES LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MAJOR'S PLACE INDUSTRIES  
LIMITED**

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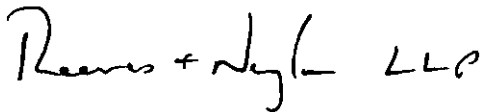
**OPINION**

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the affairs of the company and the group as at 31 January 2007 and of the profit of the Group for the year then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and

the information given in the directors report is consistent with the financial statements



**Reeves+Neylan LLP**

Chartered Accountants  
Registered Auditor  
Colechurch House  
1 London Bridge Walk  
LONDON  
SE1 2SX

28 September 2007

**MAJOR'S PLACE INDUSTRIES LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
For the year ended 31 January 2007

		2007	2006
<b>TURNOVER</b>	<b>Note</b>		
	1	15,933,026	13,406,481
Cost of sales		<u>(13,662,908)</u>	<u>(11,577,801)</u>
<b>GROSS PROFIT</b>		2,270,118	1,828,680
Selling and distribution costs		<u>(142,273)</u>	<u>(131,470)</u>
Administrative expenses		<u>(1,138,498)</u>	<u>(1,103,890)</u>
<b>OPERATING PROFIT</b>	3	989,347	593,320
Interest receivable		18,180	30,348
Interest payable	6	<u>(4,297)</u>	<u>(804)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,003,230	622,864
Tax on profit on ordinary activities	7	<u>(309,707)</u>	<u>(176,660)</u>
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		<u>693,523</u>	<u>446,204</u>

All of the activities of the group are classified as continuing

There were no recognised gains and losses for 2007 or 2006 other than those included in the Profit and Loss Account

**STATEMENT OF HISTORICAL COST PROFITS AND LOSSES**

**Historical cost profits and losses**

Profit on ordinary activities before taxation	1,003,230	622,864
Difference between historical cost depreciation charge and depreciation charge based on the revalued amounts	<u>13,320</u>	<u>13,320</u>
Historical cost profits on ordinary activities before taxation	<u>1,016,550</u>	<u>636,184</u>
Historical cost profits for the year retained after taxation	<u>706,843</u>	<u>459,524</u>

The notes on page 9 to 19 form part of these financial statements

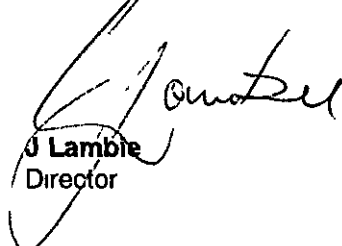


**MAJOR'S PLACE INDUSTRIES LIMITED**

**CONSOLIDATED BALANCE SHEET**  
As at 31 January 2007

	Note	2007	2006
<b>FIXED ASSETS</b>			
Tangible fixed assets	9	1,577,402	1,733,057
<b>CURRENT ASSETS</b>			
Stocks	11	272,929	411,771
Debtors	12	3,811,454	4,211,917
Cash at bank		1,658,003	2,900
		<u>5,742,386</u>	<u>4,626,588</u>
<b>CREDITORS:</b> amounts falling due within one year	13	<u>3,653,142</u>	<u>2,799,522</u>
<b>NET CURRENT ASSETS</b>		<u>2,089,244</u>	<u>1,827,066</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,666,646</u>	<u>3,560,123</u>
<b>CREDITORS:</b> amounts falling due after more than one year	14	<u>(44,000)</u>	<u>(92,000)</u>
		<u>3,622,646</u>	<u>3,468,123</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	16	<u>(110,000)</u>	<u>(99,000)</u>
<b>NET ASSETS</b>		<u>3,512,646</u>	<u>3,369,123</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	20	85,910	85,910
Share premium account	21	51,546	51,546
Revaluation reserve	21	386,259	399,579
Profit and loss account	21	2,988,931	2,832,088
<b>SHAREHOLDERS' FUNDS-ALL EQUITY</b>	22	<u>3,512,646</u>	<u>3,369,123</u>

The financial statements were approved by the board on 28 September 2007 and signed on its behalf

  
J Lambie  
Director

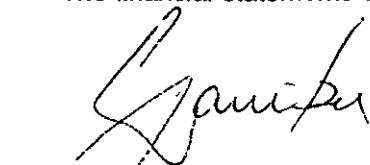
The notes on pages 9 to 19 form part of these financial statements

**MAJOR'S PLACE INDUSTRIES LIMITED**

**COMPANY BALANCE SHEET**  
As at 31 January 2007

		2007	2006
	<b>Note</b>		
<b>FIXED ASSETS</b>			
Investments	10	<b>436,338</b>	436,338
<b>CURRENT ASSETS</b>			
Debtors	12	<b>33,398</b>	33,398
Cash at bank			
		<b>33,398</b>	33,398
<b>CREDITORS</b> amounts falling due within one year	13	<b>(531,714)</b>	(531,714)
<b>NET CURRENT ASSETS</b>		<b>(498,316)</b>	(498,316)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>(61,978)</b>	(61,978)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	20	<b>85,910</b>	85,910
Share premium account	21	<b>51,546</b>	51,546
Profit and loss account	21	<b>(199,434)</b>	(199,434)
<b>SHAREHOLDERS' FUNDS ALL EQUITY</b>	22	<b>(61,978)</b>	(61,978)

The financial statements were approved by the board on 28 September 2007 and signed on its behalf



**J Lambie**  
Director

**MAJOR'S PLACE INDUSTRIES LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT**  
For the year ended 31 January 2007

	Note	2007	2006
Net cash flow from operating activities		2,773,535	168,896
Returns on investments and servicing of finance	23	13,883	29,544
Taxation	23	(146,014)	(242,670)
Capital expenditure and financial investment	23	(47,407)	(554,263)
Equity dividends paid		(550,000)	(450,000)
<b>CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>		<b>2,043,997</b>	<b>(1,048,493)</b>
Financing	23	(48,000)	137,656
<b>INCREASE/(DECREASE) IN CASH IN THE PERIOD</b>		<b>1,995,997</b>	<b>(910,837)</b>

**RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2007	2007
Operating profit	989,347	593,320
Depreciation of tangible fixed assets	191,398	149,311
Loss/(profit) on disposal of tangible fixed assets	11,664	6,082
(Increase)/decrease in stocks	138,842	141,785
(Increase)/decrease in debtors	477,275	(1,101,301)
Increase/(decrease) in creditors	1,041,821	379,699
(Increase)/decrease in inter group debt	(76,812)	
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATIONS</b>	<b>2,773,535</b>	<b>168,896</b>

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NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 January 2007

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1. ACCOUNTING POLICIES

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain Fixed Assets and financial instruments and in accordance with applicable accounting standards

**Consolidation**

The financial statements consolidate the accounts of Major's Place Industries Limited and all of its subsidiary undertakings ('subsidiaries')

**Turnover**

Turnover represents the amounts invoiced to customers except in respect of contracting activities where turnover represents the value of work done carried out during the year including amounts not invoiced, excluding Value Added Tax

**Fixed assets**

The company has not adopted a policy of revaluation of heritable property since the introduction of FRS15

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows

Freehold property	2.5%	straight line
Plant & Machinery	10%	straight line
Motor Vehicles	20%	straight line
Fixtures & Fittings	20%	straight line

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss account

**Investments**

Share in subsidiaries are valued at cost less provision for permanent impairment

**Stocks**

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

Cost comprises purchase price on a first in, first out basis

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal

**Work in progress**

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 January 2007**

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**1. ACCOUNTING POLICIES (continued)**

**Hire purchase agreements**

Assets held under hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing represents a constant proportion of the capital balance outstanding and is charged to the Profit & Loss Account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

**Operating lease agreements**

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.

**Pension costs**

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

**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 that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

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

**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.

**Long term contracts**

The attributable profit on long term contracts is recognised once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to date on the project and is calculated on a prudent basis by recording turnover and related costs as contract activity progresses. Profit for the year included settlement of claims arising on contracts in prior years.

Long term contract balances for amounts recoverable on contracts are included in trade debtors. These are stated as turnover recognised less any progress payments made on the contracts, after provision has been made for any foreseeable losses and the deduction of applicable payments on account.

Full provision is made for foreseeable losses on all contracts in the year in which the loss is first foreseen.

**2. TURNOVER**

Turnover (which is stated net of VAT) represents UK activity only.

**MAJOR'S PLACE INDUSTRIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 January 2007**

**3 OPERATING PROFIT**

The Operating profit is stated after charging

	2007	2006
Depreciation of tangible fixed assets		
owned by the company	173,709	149,259
under hire purchase contracts	17,689	52
Loss on disposal of fixed assets	11,664	6,082
Auditors' remuneration	15,500	15,250
Operating lease costs		
plant, equipment and vehicles	33,130	35,601

Auditors fees for the Company were £3,000 (2006 £3,000)

**4 STAFF COSTS**

Staff costs, including directors' remuneration, were as follows

	2007	2006
Wages and salaries	2,531,167	2,332,033
Social security costs	157,689	151,217
Other pension costs	107,573	101,883
	<u>2,796,429</u>	<u>2,585,133</u>

The average monthly number of employees during the year was as follows

	2007 No.	2006 No
Sales and administration	22	22
Production	72	67
	<u>94</u>	<u>89</u>

**5 DIRECTORS' REMUNERATION**

No director was remunerated during the year as their services were provided by third parties at a cost to the Group of £129,775 (2006 £120,151)

**6 INTEREST PAYABLE**

	2007	2006
Hire purchase contracts	<u>4,297</u>	<u>804</u>

**MAJOR'S PLACE INDUSTRIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 January 2007

**7 TAXATION**

	<b>2007</b>	<b>2006</b>
<b>Analysis of tax charge in year</b>		
<b>Current taxation based on the results for the year</b>		
UK corporation tax	<b>303,972</b>	154,482
Adjustments in respect of prior periods	<b>(5,265)</b>	(3,822)
<b>Total current tax</b>	<b>298,707</b>	150,660
<b>Deferred tax</b>		
Origination and reversal of timing differences	<b>11,000</b>	26,000
<b>Tax on profit on ordinary activities</b>	<b>309,707</b>	176,660

**Factors affecting tax charge for year**

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2006 30%)

	<b>2007</b>	<b>2006</b>
<i>Profit on ordinary activities before taxation</i>	<b>1,003,230</b>	622,864
<b>Profit/(loss) on ordinary activities by rate of tax</b>	<b>300,969</b>	186,859
<b>Effects of</b>		
Expenses not deductible for tax purposes	<b>7,299</b>	4,580
Capital allowances for period in excess of depreciation	<b>(4,296)</b>	(31,187)
Adjustments to tax charge in respect of previous periods	<b>(5,265)</b>	(3,822)
Marginal relief		(5,770)
<b>Total current tax</b>	<b>298,707</b>	150,660

There were no factors that may affect future tax charges

**8 DIVIDENDS**

	<b>2007</b>	<b>2006</b>
<b>Equity dividends</b>		
Paid during the year	<b>550,000</b>	450,000

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 January 2007

9 TANGIBLE FIXED ASSETS

	Land and buildings	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Total
<b>Group Cost</b>					
At 1 February 2006	1,306,316	1,195,897	364,971	774,171	3,641,355
Additions	21,297	39,205	-	26,315	86,817
Disposals			(100,001)	-	(100,001)
At 31 January 2007	1,327,613	1,235,102	264,970	800,486	3,628,171
<b>Depreciation</b>					
At 1 February 2006	258,644	913,034	106,337	630,283	1,908,298
Charge for the year	32,618	37,334	70,674	50,772	191,398
On disposals			(48,927)	-	(48,927)
At 31 January 2007	291,262	950,368	128,084	681,055	2,050,769
<b>Net book value</b>					
At 31 January 2007	1,036,351	284,734	136,886	119,431	1,577,402
At 31 January 2006	1,047,672	282,863	258,634	143,888	1,733,057

In January 1996, the heritable property was valued at £989,600 on the basis of market value with existing use

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows

	2007	2006
<b>Historical cost</b>		
At 1 February 2006	1,005,016	1,005,016
Cost of additions to revalued assets brought forward	21,297	
At 31 January 2007	1,026,313	1,005,016
<b>Depreciation</b>		
At 1 February 2006	310,890	294,519
Charge for year	19,298	16,371
At 31 January 2007	330,188	310,890
<b>Net historical cost value</b>		
At 31 January 2007	696,125	694,126
At 1 February 2006	694,126	710,497

**Hire purchase agreements**

Included within the net book value of £1,577,402 is £166,703 (2006 £166,340) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £17,689 (2006 £52)



**MAJOR'S PLACE INDUSTRIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 January 2007

**10 FIXED ASSET INVESTMENTS**

	Share in group under takings	Total
<b>Company</b>		
<b>Cost or valuation</b>		
At 1 February 2006 and 31 January 2007	<u>436,338</u>	<u>436,338</u>

**11 STOCKS**

	<b>Group</b>		<b>Company</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Raw materials	141,674	204,338		
Work in progress	131,255	207,433		
	<u>272,929</u>	<u>411,771</u>		

**12. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
<b>Due within one year</b>				
Trade debtors	3,676,574	4,080,393		
Other debtors and prepayments	56,731	130,187		
Amounts due from undertaking under common control	78,149	1,337	33,398	33,398
	<u>3,811,454</u>	<u>4,211,917</u>	<u>33,398</u>	<u>33,398</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 January 2007

13. CREDITORS.

Amounts falling due within one year

	Group		Company	
	2007	2006	2007	2006
Bank loans and overdrafts		340,894	-	
Trade creditors	1,789,464	1,899,124		
Amounts owed to group undertakings			531,714	531,714
Corporation tax	303,972	151,279	-	
PAYE and social security	75,972	77,203		
VAT	439,459		-	
Hire purchase agreements	48,000	48,000	-	
Accruals and deferred income	996,275	283,022	-	
	<u>3,653,142</u>	<u>2,799,522</u>	<u>531,714</u>	<u>531,714</u>

The bank overdraft is secured by a bond and floating charge over all the group's assets and by an inter company guarantee

14. CREDITORS:

Amounts falling due after more than one year

	Group		Company	
	2007	2006	2007	2006
Hire purchase agreements	<u>44,000</u>	<u>92,000</u>	<u>-</u>	<u></u>

Amounts due under hire purchase contracts are secured on the assets financed by such agreements

Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows

	Group		Company	
	2007	2006	2007	2006
Amounts payable within 1 year	48,000	48,000	-	
Amounts payable between 1 and 2 years	44,000	48,000		
Amounts payable between 3 and 5 years	-	44,000	-	
	<u>92,000</u>	<u>140,000</u>	<u>-</u>	<u></u>

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 January 2007

15 PENSIONS

The company operates a defined contribution pension scheme. The assets of the scheme are administered by trustees in a fund independent from those of the group.

The total contributions paid in the year amounted to £107,573 (2006 £101,883). At the year end there was an amount accrued of £11,144 (2006 £8,875).

16 DEFERRED TAXATION

	Group		Company	
	2007	2006	2007	2006
At 1 February 2006	99,000	73,000	-	
Charge for year	11,000	26,000	-	
At 31 January 2007	110,000	99,000	-	

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	Group		Company	
	2007	2006	2007	2006
Excess of taxation allowances over depreciation on fixed assets	110,000	99,000	-	

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company makes little use of financial instruments. All the company's surplus funds are held in short term fixed rate sterling deposit accounts. 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. As such, the company's exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit and loss of the company.

18. OPERATING LEASE COMMITMENTS

At 31 January 2007 the group had annual commitments under non cancellable operating leases on assets other than land and buildings as follows

	2007	2006
Group		
Expiry date		
Within 1 year	-	
Within 2 and 5 years	45,304	57,130
	45,304	57,130

**MAJOR'S PLACE INDUSTRIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 January 2007

**19 RELATED PARTY TRANSACTIONS**

At 31 January 2007 the group was due £78,149 by Incamet Limited (2006 £1,337) a company under common control

At 31 January 2007 the company was due £31,000 (2006 £Nil) by Majors Place Services Limited J Lambie is a director of both Majors Place Industries Limited and Majors Place Services Limited

**20. SHARE CAPITAL**

	2007	2006
<b>Authorised, allotted, called up and fully paid</b>		
85,910 Ordinary shares of £1 each	<u>85,910</u>	<u>85,910</u>

**21 RESERVES**

	Share premium account	Revaluation reserve	Profit and loss account
<b>Group</b>			
At 1 February 2006	51,546	399,579	2,832,088
Profit retained for the year	-	-	693,523
Transfer between reserves	-	(13,320)	13,320
Dividends paid	-	-	(550,000)
	<u>51,546</u>	<u>386,259</u>	<u>2,988,931</u>
		Share premium account	Profit and loss account
<b>Company</b>			
At 1 February 2006		51,546	(199,434)
Profit retained for the year		-	550,000
Dividends paid		-	(550,000)
At 31 January 2007		<u>51,546</u>	<u>(199,434)</u>

**22. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2007	2006
<b>Group</b>		
Profit for the year	693,523	446,204
Dividends	<u>(550,000)</u>	<u>(450,000)</u>
	143,523	(3,796)
Opening shareholders' funds	<u>3,369,123</u>	<u>3,372,919</u>
Closing shareholders' funds	<u>3,512,646</u>	<u>3,369,123</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 January 2007

**22. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS (continued)**

	2007	2006
<b>Company</b>		
Profit for the year	550,000	450,000
Dividends	(550,000)	(450,000)
	-	
Opening shareholders' funds	(61,978)	(61,978)
Closing shareholders' funds	(61,978)	(61,978)

The company has taken advantage of the exemption contained within section 230 of the Companies Act 1985 not to present its own profit and loss account

The profit for the year dealt with in the accounts of the company was £Nil (2006 £nil)

**23. NOTES TO THE STATEMENT OF CASH FLOWS**

	2007	2006
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	18,180	30,348
Hire purchase interest	(4,297)	(804)
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	13,853	29,544
<b>TAXATION</b>	(146,014)	(242,670)
	2007	2006
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	(86,817)	(571,063)
Sale of tangible fixed assets	39,410	16,800
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>	(47,407)	(554,263)
	2007	2006
<b>FINANCING</b>		
New finance lease	(48,000)	137,656

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 January 2007

23 NOTES TO THE STATEMENT OF CASH FLOWS (continued)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (NOTE 21)

	2007	2006
Increase/(Decrease) in cash in the period	1,995,997	(910,837)
Cash outflow in respect of hire purchase	48,000	(137,656)
<b>MOVEMENT IN NET DEBT IN THE PERIOD</b>	<b>2,043,997</b>	<b>(1,048,493)</b>
Net funds at 1 February 2006	(477,994)	570,499
<b>NET FUNDS AT 31 JANUARY 2007</b>	<b>1,566,003</b>	<b>(477,994)</b>

ANALYSIS OF CHANGES IN NET DEBT

	1 February 2006	Cash Flow	31 January 2007
Cash at bank and in hand	2,900	1,655,103	1,658,003
Bank overdraft	(340,894)	340,894	
	(337,994)	1,995,997	1,658,003
<b>DEBT</b> Hire purchase agreements	(140,000)	48,000	(93,000)
<b>NET DEBT</b>	<b>477,994</b>	<b>2,043,997</b>	<b>1,566,003</b>

24. PRINCIPAL SUBSIDIARIES

Principal subsidiaries

Company name	Country	Percentage Shareholding	Description
Charles Henshaw & Sons Ltd	UK	100	Architectural metal workers

25 ULTIMATE CONTROLLING PARTY

The company has no ultimate controlling party

**MAJOR'S PLACE INDUSTRIES LIMITED**

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**DETAILED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 JANUARY 2007**

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	<b>2007</b> £	<b>2006</b> £
Income from fixed asset investment in group undertaking	<u><b>550,000</b></u>	<u>450,000</u>
<b>PROFIT</b> on ordinary activities before taxation	<u><b>550,000</b></u>	<u>450,000</u>
<b>TAXATION</b>	<u>-</u>	<u>-</u>
<b>PROFIT</b> on ordinary activities after taxation	<u><u><b>550,000</b></u></u>	<u><u>450,000</u></u>

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