

**Report of the Directors and
Audited Financial Statements
for the Year Ended 31 December 2007
for
Solar Technologies Installations Ltd**

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Company Number

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Solar Technologies Installations Ltd
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for the Year Ended 31 December 2007

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Solar Technologies Installations Limited

**Company Information
for the Year Ended 31 December 2007**

DIRECTORS

B J Marsh
L Stickley
D Townend

SECRETARY

A G Ebel

REGISTERED OFFICE

Unit 29 Romsey Industrial Estate
Greatbridge Road
Romsey
Hampshire
SO51 0HR

REGISTERED NUMBER

4296394 (England & Wales)

Solar Technologies Installations Ltd

**Report of the Directors
for the Year Ended 31 December 2007**

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

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company in the year under review continued to be that of building construction

The directors did not declare an ordinary dividend for the year ended 31 December 2007 (2006 £nil)

DIRECTORS

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

B Marsh
L Stickley
D Townend

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

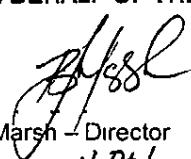
So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant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

AUDITORS

The auditors, Rothman Pantall & Co, 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.


B Marsh - Director

Date

14th August 2008

Solar Technologies Installations Ltd

**Report of the Independent Auditors to the Shareholders
of Solar Technologies Installations Limited**

We have audited the financial statements of Solar Technologies Installations Limited for the year ended 31 December 2007 on pages five to ten. 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, except that the scope of our work was limited as explained below.

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 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. However, the evidence available to us was limited because the previous years financial statements were unaudited. As a result of this we have been unable to obtain sufficient appropriate audit evidence concerning the opening balances. Because of the significance of these items, in particular debtors and work in progress, we have been unable to form a view on the financial statements.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion: disclaimer on the view given by the financial statements

Because of the possible effect of the limitation in evidence available to us, we are unable to form an opinion as to whether the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

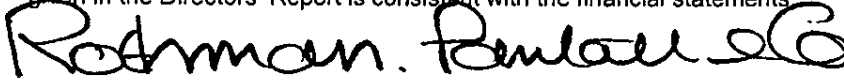
Solar Technologies Installations Ltd

Report of the Independent Auditors to the Shareholders
of Solar Technologies Installations Limited (continued)

In respect solely of the limitation of our work referred to above

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit, and we were unable to determine whether proper accounting records had been maintained

Notwithstanding our disclaimer on the view given by the financial statements, in our opinion the information given in the Directors' Report is consistent with the financial statements



Rothman Pantall & Co
Chartered Accountants and Registered Auditors
Avebury House
St Peter Street
Winchester
Hants SO23 8BN

Date 15 August 2008

Solar Technologies Installations Limited

**Profit and Loss Account
For the Year Ended 31 December 2007**

	Notes	Year Ended 31 12 07 £	Year Ended 31 12 06 £
TURNOVER		3,055,619	2,295,480
Cost of sales		(2,404,605)	(1,810,492)
		<hr/>	<hr/>
GROSS PROFIT		651,014	484,988
Administrative expenses		(565,361)	(449,988)
		<hr/>	<hr/>
OPERATING PROFIT	3	85,653	35,000
Interest receivable and similar income		590	-
		<hr/>	<hr/>
		86,243	35,000
Interest payable and similar charges		(17,742)	(13,860)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		68,501	21,140
Tax on profit on ordinary activities	2	-	-
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		68,501	21,140
PREFERENCE DIVIDENDS PAYABLE		(55,742)	-
		<hr/>	<hr/>
SURPLUS FOR THE YEAR		<u>12,759</u>	<u>21,140</u>

Solar Technologies Installations Limited

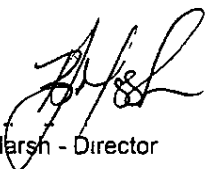
**Balance Sheet
31 December 2007**

	Notes	£	31 12 07 £	£	31 12 06 £
FIXED ASSETS					
Tangible assets	4		14,614		11,185
CURRENT ASSETS					
Stocks		42,511		10,260	
Debtors	5	916,057		823,599	
Cash in hand		169,904		100,797	
			<u>1,128,472</u>	<u>934,656</u>	
CREDITORS					
Amounts falling due within one year	6	(1,048,046)		(863,560)	
NET CURRENT ASSETS			<u>80,426</u>		<u>71,096</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>95,040</u>		<u>82,281</u>
NET ASSETS			<u><u>95,040</u></u>		<u><u>82,281</u></u>
CAPITAL AND RESERVES					
Called up share capital	9		50,000		50,000
Preference share capital	9		696,770		696,770
Profit and loss account	10		(651,730)		(664,489)
SHAREHOLDERS' FUNDS			<u><u>95,040</u></u>		<u><u>82,281</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

14th August 2008 and were signed on its behalf by


B Marsh - Director

Solar Technologies Installations Limited

**Notes to the Audited 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 2005)

Going concern

These accounts have been prepared on a going concern basis. The directors consider that the company will continue to trade in the foreseeable future.

The company will continue to have the financial support of its directors and shareholders.

Turnover

Turnover is the amount receivable for the provision of goods and services falling within the company's ordinary activities, excluding estimated and actual sales returns, trade and early settlement discounts and value added tax.

Turnover from the provision of goods and all services is only recognised when the amounts to be recognised are fixed or determinable and collectability is reasonably assured.

Foreign Exchange

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Tangible fixed assets

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

Plant and machinery	- 20% on reducing balance
Computers	- 33 3% straight line
Software	- 33 3% straight line

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Assets held under finance leases and hire purchase contracts are capitalized at the original cost of the asset at the inception of the lease, with an equivalent liability categorised as appropriate under creditors due within and after more than one year. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease.

Long-term contracts

The company has long-term contracts that fall into different accounting periods. In assessing the allocation of revenues and costs to individual accounting periods, and the consequential assets and liabilities, the company estimates the total revenues and costs forecast to arise in respect of the contract and the stage of completion based on an appropriate measure of performance. In determining the degree of contractual performance, reference is made to the costs incurred in relation to the estimated expected costs.

Profit is recognised on long-term contracts when the final outcome can be assessed with reasonable certainty by including turnover and related costs within the profit and loss account as contract activity progresses.

Full provision is made for any estimated losses to completion of contracts having regard to the overall substance of the arrangements.

Solar Technologies Installations Limited

Notes to the Audited Financial Statements - continued for the Year Ended 31 December 2007

1 ACCOUNTING POLICIES - continued

Stocks

Stock is valued at the lower of cost and net realisable value on an actual basis. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling prices less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Warranty reserve

A provision of 1% of the total contract sum of each project is made against potential future warranty claims and recognised in a warranty reserve included within other creditors. Any warranty claims made in the period are then charged against this reserve. The balance of the warranty provision for each project is subsequently released at the end of the warranty period for that project.

Deferred tax

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

2. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2007 or for the period ended 31 December 2006.

3. OPERATING LOSS

The operating loss is stated after charging

	Year Ended 31 12 07 £	Year Ended 31 12 06 £
Depreciation – owned assets	<u>4,414</u>	<u>2,796</u>
Directors' emoluments and other benefits	<u>37,063</u>	<u>37,063</u>

4. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Computers £	Software £	Total £
COST				
At 1 January 2007	22,566	-	-	22,566
Additions	<u>3,280</u>	<u>3,086</u>	<u>1,477</u>	<u>7,843</u>
At 31 December 2007	<u>25,846</u>	<u>3,086</u>	<u>1,477</u>	<u>30,409</u>
DEPRECIATION				
At 1 January 2007	11,381	-	-	11,381
Charge for the year	<u>2,893</u>	<u>1,029</u>	<u>492</u>	<u>4,414</u>
At 31 December 2007	<u>14,274</u>	<u>1,029</u>	<u>492</u>	<u>15,795</u>
NET BOOK VALUE				
At 31 December 2007	<u>11,572</u>	<u>2,057</u>	<u>985</u>	<u>14,614</u>
At 31 December 2006	<u>11,185</u>	<u>-</u>	<u>-</u>	<u>11,185</u>

Solar Technologies Installations Limited

**Notes to the Audited Financial Statements - continued
for the Year Ended 31 December 2007**

5 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Year Ended 31 12 07 £	Year Ended 31 12 06 £
Trade debtors	638,480	498,509
Other debtors	277,577	325,090
	<u>916,057</u>	<u>823,599</u>

6. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Year Ended 31 12 07 £	Year Ended 31 12 06 £
Trade creditors	552,964	419,489
Taxation and social security	45,481	106,295
Other creditors	449,601	337,776
	<u>1,048,046</u>	<u>863,560</u>

7 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	Year Ended 31 12 07 £	Year Ended 31 12 06 £
Expiring Between one and five years	<u>11,300</u>	<u>11,300</u>

8 SECURED DEBTS

	Year Ended 31 12 07 £	Year Ended 31 12 06 £
Other creditors	<u>300,000</u>	<u>160,301</u>

Solar Technologies Installations Limited

Notes to the Audited Financial Statements - continued for the Year Ended 31 December 2007

9. CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal Value	Year Ended 31 12 07 £	Year Ended 31 12 06 £
100,000	Ordinary	£1	100,000	100,000
700,000	Redeemable Preference	£1	700,000	700,000
<hr/>				
Allotted and issued Number	Class	Nominal Value	Year Ended 31 12 07 £	Year Ended 31 12 06 £
50,000	Ordinary	£1	50,000	50,000
696,770	Redeemable Preference	£1	696,770	696,770
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The redeemable preference shares issued on 31 December 2006 were converted from loans made to Solar Technologies Installations Limited by Solar Technologies Group Limited. These shares are redeemable for a period of five years from issue, and pay a non-cumulative 8% dividend on their nominal value.

10. RESERVES

	Profit and loss account £
At 1 January 2007	(664,489)
Surplus for the year	12,759
At 31 December 2007	<u>(651,730)</u>

11. ULTIMATE CONTROLLING PARTY

In the opinion of the directors the company is not under the ultimate control of any one party.

12. RELATED PARTY DISCLOSURES

The FRS8 exemption to disclose inter-group transactions and balances has been taken.