

**Report of the Directors and
Unaudited Financial Statements
for the Year Ended 31 December 2006
for
Solar Technologies Installations Ltd**



Solar Technologies Installations Ltd

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For the Year Ended 31 December 2006**

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Solar Technologies Installations Limited

**Company Information
for the Year Ended 31 December 2006**

DIRECTORS

B J Marsh
L Stickley
D Townend

SECRETARY

A G Ebel

REGISTERED OFFICE

Unit 51 Romsey Industrial Estate
Greatbridge Road
Romsey
Hampshire
SO51 0HR

REGISTERED NUMBER

4570951 (England & Wales)

Solar Technologies Installations Ltd

Report of the Directors for the Year Ended 31 December 2006

The directors present their report with the unaudited financial statements of the company for the year ended 31 December 2006

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

On 29 March 2006 the company passed a special resolution changing its name from PV Facades Ltd to Solar Technologies Installations Ltd

Considering the growth of the market, together with the need of the Solar Technologies Group of Companies to expand its capabilities to include all major sources of renewable energy, it was decided that the parent company should seek to increase its capital base

The directors are pleased to report that in January 2006 the parent company, Solar Technologies Group Ltd, secured additional funding from a City Investment Trust thereby facilitating its ongoing plans for expansion

The investment took the form of a subscription for new ordinary shares in Solar Technologies Group Limited amounting to £200,000, together with the provision of an additional loan facility of up to £300,000, secured on the company's debtors and work in progress and made available to fund the working capital required for individual contracts

On 31 December 2006 certain shareholders agreed to convert the outstanding loans due to them from Solar Technologies Installations Limited amounting to £497,500 into the same value of 8% Redeemable Cumulative Preference Shares in Solar Technologies Group Limited. These Preference Shares were issued at par and are repayable in full before 31 December 2011, and they carry a fixed dividend of 8% per annum

It was also agreed on 31 December 2006 to convert the loan from Solar Technologies Group Limited to Solar Technologies Installations Limited amounting to £696,770 into the same value of 8% Redeemable Non-Cumulative Preference Shares in Solar Technologies Installations Limited. These Preference Shares were issued at par and are repayable in full before 31 December 2011, and they carry a fixed dividend of 8% per annum

As a result of the above refinancing the Directors believe that the Group is now well placed to take a growing part in the rapidly expanding market for the installation of renewable sources of energy into both new and existing commercial and industrial properties

DIRECTORS


The directors during the year under review were

B Marsh	(15% beneficial interest in Solar Technologies Group Limited)
L Stickley	(20% beneficial interest in Solar Technologies Group Limited)
D Townend	(20% beneficial interest in Solar Technologies Group Limited)

None of the directors holding office at 31 December 2006 held a beneficial interest in the issued share capital of the company, although each director had a beneficial interest in the issued share capital of the ultimate holding company Solar Technologies Group Limited in the proportions detailed above

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


A G Ebel - Secretary
Date 20th June 2007

Solar Technologies Installations Limited

**Profit and Loss Account
For the Year Ended 31 December 2006**

	Notes	Year Ended 31 12 06 £	Year Ended 31 12 05 £
TURNOVER		2,295,480	1,320,817
Cost of sales		(1,810,492)	(1,097,167)
GROSS PROFIT		<u>484,988</u>	<u>223,650</u>
Administrative expenses		(449,988)	(472,798)
OPERATING PROFIT/(LOSS)	2	<u>35,000</u>	<u>(249,148)</u>
Interest receivable and similar income		-	639
		<u>35,000</u>	<u>(248,509)</u>
Interest payable and similar charges		(13,860)	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>21,140</u>	<u>(248,509)</u>
Tax on profit/(loss) on ordinary activities	3	-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		<u>21,140</u>	<u>(248,509)</u>
SURPLUS/(DEFICIT) FOR THE YEAR		<u><u>21,140</u></u>	<u><u>(248,509)</u></u>

Solar Technologies Installations Limited

**Balance Sheet
31 December 2006**

	Notes	£	31 12 06 £	£	31 12 05 £
FIXED ASSETS					
Tangible assets	4		11,185		13,981
CURRENT ASSETS					
Stocks		52,548		47,915	
Debtors	5	631,909		296,468	
Cash in hand		100,797		2,629	
			<u>785,254</u>	<u>347,012</u>	
CREDITORS					
Amounts falling due within one year	6	(714,158)		(549,122)	
NET CURRENT ASSETS/(LIABILITIES)			<u>71,096</u>		<u>(202,110)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			82,281		(188,129)
CREDITORS					
Amounts falling due after more than one year	7		-		(447,500)
NET ASSETS/(LIABILITIES)			<u>82,281</u>		<u>(635,629)</u>
CAPITAL AND RESERVES					
Called up share capital	10		50,000		50,000
Preference share capital	10		696,770		-
Profit and loss account	11		(664,489)		(685,629)
SHAREHOLDERS' FUNDS			<u>82,281</u>		<u>(635,629)</u>

Solar Technologies Installations Limited

**Balance Sheet - continued
31 December 2006**

The company is entitled to exemption from audit under section 249A(1) of the Companies Act 1985 for the year ended 31 December 2006

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2006 in accordance with Section 249B(2) of the Companies Act 1985

The directors acknowledge their responsibilities for

- (a) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company

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 2005)

ON BEHALF OF THE BOARD:



B Marsh - Director

Approved by the Board on 20th June 2007

Solar Technologies Installations Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2006

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)

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

Plant and machinery etc - 20% on reducing balance

Stocks

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

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads

Deferred tax

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

2 OPERATING LOSS

The operating loss is stated after charging

	Year Ended 31 12 06 £	Year Ended 31 12 05 £
Depreciation – owned assets	<u>2,796</u>	<u>3,496</u>
Directors' emoluments and other benefits	<u>37,063</u>	<u>34,500</u>

3. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2006 or for the period ended 31 December 2005

Solar Technologies Installations Limited

**Notes to the Unaudited Financial Statements - continued
for the Year Ended 31 December 2006**

4. TANGIBLE FIXED ASSETS

	Plant & Machinery £
COST	
At 1 January 2005	22,566
Additions	-
At 31 December 2005	<u>22,566</u>
DEPRECIATION	
At 1 January 2005	8,585
Charge for the year	2,796
At 31 December 2005	<u>11,381</u>
NET BOOK VALUE	
At 31 December 2006	<u>11,185</u>
At 31 December 2005	<u>13,981</u>

5 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Year Ended 31 12 06 £	Year Ended 31 12 05 £
Trade debtors	498,509	238,779
Other debtors	133,400	57,689
	<u>631,909</u>	<u>296,468</u>

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Year Ended 31 12 06 £	Year Ended 31 12 05 £
Trade creditors	419,489	264,629
Taxation and social security	106,295	128,473
Other creditors	188,374	156,020
	<u>714,158</u>	<u>549,122</u>

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Year Ended 31 12 06 £	Year Ended 31 12 05 £
Other creditors	-	447,500
	<u>-</u>	<u>447,500</u>

Solar Technologies Installations Limited

Notes to the Unaudited Financial Statements - continued for the Year Ended 31 December 2006

8 OPERATING LEASE COMMITMENTS

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

	Year Ended 31 12 06 £	Year Ended 31 12 05 £
Expiring Between one and five years	<u>11,300</u>	<u>11,300</u>

9. SECURED DEBTS

	Year Ended 31 12 06 £	Year Ended 31 12 05 £
Other creditors	160,301	90,000
Other loans	-	67,500
	<u>160,301</u>	<u>157,500</u>

10. CALLED UP SHARE CAPITAL

Authorised:

Number	Class	Nominal Value	Year Ended 31 12 06 £	Year Ended 31 12 05 £
100,000	Ordinary	£1	100,000	100,000
700,000	Redeemable Preference	£1	<u>700,000</u>	<u>-</u>

Allotted and issued

Number	Class	Nominal Value	Year Ended 31 12 06 £	Year Ended 31 12 05 £
50,000	Ordinary	£1	50,000	50,000
696,770	Redeemable Preference	£1	<u>696,770</u>	<u>-</u>

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.

11. RESERVES

	Profit and loss account £
At 1 January 2006	(685,629)
Surplus for the year	<u>21,140</u>
At 31 December 2006	<u>(664,489)</u>

12. ULTIMATE CONTROLLING PARTY

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