

Registration number 786405

Sunvic Controls Limited

Directors' report and financial statements

for the year ended 31 May 2006



Sunvic Controls Limited

Company information

Directors	Corroban Ltd	Resigned - 01/06/2005
	Hadenbury Ltd	Resigned - 01/06/2005
	Bestbray Ltd	Resigned - 01/06/2005
	D.M Paulin	Appointed - 01/06/2005
Secretary	D.S. Watkinson	Appointed - 01/06/2005
Company number	786405	
Registered office	Pembroke House 11 Northlands Pavement Pitsea Basildon Essex SS13 3DX	
Auditors	Friend Boyden Accountancy Services Limited Pembroke House 11 Northlands Pavement Pitsea Basildon Essex SS13 3DX	
Business address	Bellshill Road Uddingston Glasgow G71 6NP	

Sunvic Controls Limited

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Sunvic Controls Limited

Directors' report for the year ended 31 May 2006

The directors present his their report and the financial statements for the year ended 31 May 2006.

Principal activity and review of the business

The principal activity of the company throughout the year continued to be the manufacture of temperature controls.

The director considers the profit achieved on ordinary activities before taxation to be satisfactory. Adequate finance has been obtained to take advantage of business opportunities, and the director considers the state of affairs to be satisfactory. The company has taken advantage of the exemption available to medium sized companies concerning key performance indicators.

Results and dividends

The results for the year are set out on page 5 - 6.

Research and development

Applied research and development work continues to be directed towards the introduction of new and improved products, the application of new technology to reduce unit and operating costs and to improve service to customers.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

		Class of share	31/05/06	01/06/05 or date of appointment
Corroban Ltd	Resigned - 01/06/2005	Ordinary shares	-	-
Hadenbury Ltd	Resigned - 01/06/2005	Ordinary shares	-	-
Bestbray Ltd	Resigned - 01/06/2005	Ordinary shares	-	-
D.M Paulin	Appointed - 01/06/2005	Ordinary shares	-	-

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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.

Sunvic Controls Limited

**Directors' report
for the year ended 31 May 2006**

..... continued

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 him to ensure that the financial statements comply with the Companies Act 1985. He 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.

The directors of a company must, in determining how amounts are presented within items in the profit and loss account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice.

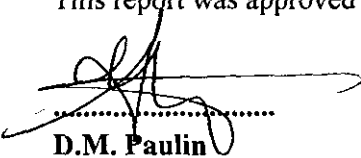
In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that he ought to have taken to make aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Friend Boyden Accountancy Services Limited be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 4/8/06 and signed on its behalf by


.....
D.M. Paulin
Director

Sunvic Controls Limited

Independent auditors' report to the shareholders of Sunvic Controls Limited

We have audited the financial statements of Sunvic Controls Limited for the year ended 31 May 2006 which comprise the profit and loss account, the balance sheet, the cash flow statement, the statement of total recognised gains and losses and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the 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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company 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 company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Sunvic Controls Limited

Independent auditors' report to the shareholders of Sunvic Controls Limited continued

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 company's affairs as at 31 May 2006 and of its profit and cash flows 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 for the year ended 31 May 2006.



.....
Friend Boyden Accountancy Services Limited
Chartered Certified Accountants and
Registered auditors

Date: 4/8/06

Pembroke House
11 Northlands Pavement
Pitsea
Basildon Essex
SS13 3DX

Sunvic Controls Limited

**Profit and loss account
for the year ended 31 May 2006**

		Continuing operations	
		2006	2005
	Notes	£	£
Turnover	2	6,518,002	6,600,252
Cost of sales		(4,910,880)	(5,299,284)
Gross profit		1,607,122	1,300,968
Distribution costs		(598,763)	(479,799)
Administrative expenses		(735,386)	(877,495)
Other operating income		166,621	171,246
Operating profit	3	439,594	114,920
Other interest receivable and similar income	4	3,830	1,962
Interest payable and similar charges	5	(176,134)	(239,954)
Inter company loan write offs		-	(1,214,269)
Profit/(loss) on ordinary activities before taxation		267,290	(1,337,341)
Tax on profit/(loss) on ordinary activities	8	(37,963)	29,061
Profit/(loss) on ordinary activities after taxation		229,327	(1,308,280)
Transfer from revaluation reserve		6,457	229
Retained profit/(loss) for the year	18	235,784	(1,308,051)
Accumulated (loss)/profit brought forward		(673,276)	1,934,975
Reserve Movements		-	(1,300,200)
Accumulated loss carried forward		(437,492)	(673,276)

The notes on pages 9 to 21 form an integral part of these financial statements.

Sunvic Controls Limited

**Profit and loss account
for the year ended 31 May 2006**

	2006	2005
	£	£
Statement of total recognised gains and losses		
Profit/(loss) on ordinary activities after taxation	229,327	(1,308,280)
Unrealised movement on revaluation of property	-	584,760
Total recognised gains/losses relating to the year	<u>229,327</u>	<u>(723,520)</u>
Note of historical cost profits and losses		
Profit/(loss) on ordinary activities before taxation	267,290	(1,337,341)
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	<u>6,457</u>	<u>229</u>
Historical cost profit/(loss) on ordinary activities before taxation	<u>273,747</u>	<u>(1,337,112)</u>
Historic cost profit/(loss) for the year retained after taxation and dividends	<u>242,241</u>	<u>(2,608,022)</u>

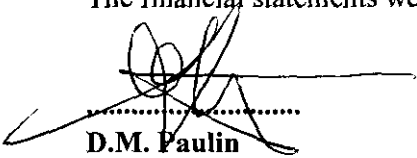
The notes on pages 9 to 21 form an integral part of these financial statements.

Sunvic Controls Limited

**Balance sheet
as at 31 May 2006**

		2006		2005	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		2,012,128		2,091,135
Current assets					
Stocks	10	725,580		774,251	
Debtors	11	1,362,814		1,224,286	
Cash at bank and in hand		296,993		20,725	
		<u>2,385,387</u>		<u>2,019,262</u>	
Creditors: amounts falling due within one year	12	<u>(2,283,456)</u>		<u>(2,303,893)</u>	
Net current assets/(liabilities)			<u>101,931</u>		<u>(284,631)</u>
Total assets less current liabilities			2,114,059		1,806,504
Creditors: amounts falling due after more than one year	13		(1,342,746)		(1,225,442)
Provisions for liabilities	14		18,532		(17,544)
Accruals and deferred income	15		<u>(50,219)</u>		<u>(53,219)</u>
Net assets			<u>739,626</u>		<u>510,299</u>
Capital and reserves					
Called up share capital	17		100		100
Revaluation reserve	18		1,177,018		1,183,475
Profit and loss account	18		<u>(437,492)</u>		<u>(673,276)</u>
Equity shareholders' funds	19		<u>739,626</u>		<u>510,299</u>

The financial statements were approved by the Board on 4/8/06 and signed on its behalf by


D.M. Paulin
Director

The notes on pages 9 to 21 form an integral part of these financial statements.

Sunvic Controls Limited

**Cash flow statement
for the year ended 31 May 2006**

	Notes	2006 £	2005 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		439,594	114,920
Depreciation		83,695	211,517
Decrease in stocks		48,671	21,514
(Increase) in debtors		(138,528)	1,646,015
Increase in creditors		19,434	(564,899)
Government grant released		(3,000)	(3,000)
Net cash inflow from operating activities		<u>449,866</u>	<u>1,426,067</u>
Cash flow statement			
Net cash inflow from operating activities		449,866	1,426,067
Returns on investments and servicing of finance	22	(172,304)	(237,992)
Taxation	22	(60,000)	-
Capital expenditure	22	(22,341)	(71,426)
		<u>195,221</u>	<u>1,116,649</u>
Equity dividends paid		-	(1,300,200)
Inter company loan write offs		-	(1,214,269)
		<u>195,221</u>	<u>(1,397,820)</u>
Financing	22	177,305	1,290,754
Increase in cash in the year		<u>372,526</u>	<u>(107,066)</u>
Reconciliation of net cash flow to movement in net funds (Note 23)			
Increase in cash in the year		372,526	(107,066)
Cash inflow from decrease in debts and lease financing		(177,305)	(1,290,754)
Change in net funds resulting from cash flows		195,221	(1,397,820)
New finance leases and hire purchase contracts		17,653	65,848
Movement in net funds in the year		<u>212,874</u>	<u>(1,331,972)</u>
Net debt at 1 June 2005		(1,328,204)	3,768
Net debt at 31 May 2006		<u>(1,115,330)</u>	<u>(1,328,204)</u>

Sunvic Controls Limited

Notes to the financial statements for the year ended 31 May 2006

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets and comply with financial reporting standards of the Accounting Standards Board.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 5 years.

1.4. Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same year unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period from which the company is expected to benefit.

1.5. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	straight line over forty years
Plant and machinery	-	on a straight line basis over three to ten years
Fixtures, fittings and equipment	-	on a straight line basis over three to ten years
Motor vehicles	-	on a straight line basis over three years or the term of the lease

Freehold land is not depreciated.

1.6. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

1.7. Stock

Stock and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Sunvic Controls Limited

**Notes to the financial statements
for the year ended 31 May 2006**

..... continued

1.8. Pensions

Contributions to defined contribution pension plans are charged to the profit and loss account as payable.

1.9. 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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

1.10. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

1.11. Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

Sunvic Controls Limited

**Notes to the financial statements
for the year ended 31 May 2006**

..... continued

2. Turnover

	2006	2005
	£	£
Geographical market		
UK	5,352,830	5,805,765
Europe	856,432	577,152
Rest of the World	308,740	217,335
	<u>6,518,002</u>	<u>6,600,252</u>

3. Operating profit

	2006	2005
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off intangible assets	-	175,000
Depreciation and other amounts written off tangible assets	98,631	123,301
Operating lease rentals		
- Motor vehicles	6,959	-
Auditors' remuneration	<u>18,000</u>	<u>16,000</u>
and after crediting:		
Profit on disposal of tangible fixed assets	14,936	86,784
Net foreign exchange gain	726	-
Government grants	<u>3,000</u>	<u>3,000</u>

4. Interest receivable and similar income

	2006	2005
	£	£
Bank interest	<u>3,830</u>	<u>1,962</u>

5. Interest payable and similar charges

	2006	2005
	£	£
Interest payable on loans < 1 yr	83,704	81,563
Hire purchase interest	6,431	33,081
Factoring interest	85,499	125,310
On overdue tax	500	-
	<u>176,134</u>	<u>239,954</u>

Sunvic Controls Limited

**Notes to the financial statements
for the year ended 31 May 2006**

..... continued

6. Employees

Number of employees	2006	2005
The average monthly numbers of employees (including the directors) during the year were:		
Production	85	78
Selling and Distribution	3	9
Administration	8	9
	<u>96</u>	<u>96</u>
 Employment costs	 2006	 2005
	£	£
Wages and salaries	1,595,689	1,791,797
Social security costs	133,798	158,362
Pension costs-other operating charge	24,526	25,053
	<u>1,754,013</u>	<u>1,975,212</u>

7. Pension costs

The company operates a defined contribution pension scheme in respect of the employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £25,053 (2005 - £34,507).

Sunvic Controls Limited

Notes to the financial statements for the year ended 31 May 2006

..... continued

8. Tax on profit/(loss) on ordinary activities

Analysis of charge in period	2006	2005
	£	£
Current tax		
UK corporation tax at 25.61% (2005 - 0 pence%)	74,039	-
Adjustments in respect of previous periods	-	(25,605)
	<u>74,039</u>	<u>(25,605)</u>
Total current tax charge	<u>74,039</u>	<u>(25,605)</u>
Deferred tax		
Timing differences, origination and reversal	(36,076)	(3,456)
Total deferred tax	<u>(36,076)</u>	<u>(3,456)</u>
Tax on profit/(loss) on ordinary activities	<u>37,963</u>	<u>(29,061)</u>

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (26 per cent). The differences are explained below:

	2006	2005
	£	£
Profit/(loss) on ordinary activities before taxation	<u>267,290</u>	<u>(1,337,341)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (31 May 2005 : 0 pence%)	69,495	-
Effects of:		
Expenses not deductible for tax purposes	1,020	-
Capital allowances for period in excess of depreciation	8,826	-
Utilisation of tax losses	(709)	-
Adjustments to tax charge in respect of previous periods	-	(25,605)
Income not taxable	(768)	-
Profit on sale of assets	(3,825)	-
Current tax charge for period	<u>74,039</u>	<u>(25,605)</u>

Sunvic Controls Limited

**Notes to the financial statements
for the year ended 31 May 2006**

..... continued

9. Tangible fixed assets	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost/revaluation					
At 1 June 2005	1,900,000	1,419,709	935,070	198,110	4,452,889
Additions	-	22,607	1,001	-	23,608
Disposals	-	-	-	(29,000)	(29,000)
At 31 May 2006	<u>1,900,000</u>	<u>1,442,316</u>	<u>936,071</u>	<u>169,110</u>	<u>4,447,497</u>
Depreciation					
At 1 June 2005	-	1,301,977	913,680	146,097	2,361,754
On disposals	-	-	-	(25,016)	(25,016)
Charge for the year	<u>25,152</u>	<u>36,686</u>	<u>7,798</u>	<u>28,995</u>	<u>98,631</u>
At 31 May 2006	<u>25,152</u>	<u>1,338,663</u>	<u>921,478</u>	<u>150,076</u>	<u>2,435,369</u>
Net book values					
At 31 May 2006	<u>1,874,848</u>	<u>103,653</u>	<u>14,593</u>	<u>19,034</u>	<u>2,012,128</u>
At 31 May 2005	<u>1,900,000</u>	<u>117,732</u>	<u>21,390</u>	<u>52,013</u>	<u>2,091,135</u>

Freehold land amounting to £893,893 (2005: £893,893) is not depreciated.

Sunvic Controls Limited

Notes to the financial statements for the year ended 31 May 2006

..... continued

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2006		2005	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Motor vehicles	<u>19,035</u>	<u>17,600</u>	<u>52,013</u>	<u>34,930</u>

Tangible fixed assets included at a valuation would have been included on a historical cost basis at:

	2006 £	2005 £
Cost	1,062,800	1,062,800
Depreciation	<u>362,470</u>	<u>343,775</u>
Net book value	<u>700,330</u>	<u>719,025</u>

The freehold land and buildings were valued at £1,900,000 by GVA Grimley LLP International Property Advisers, an independent firm of Chartered Surveyors as at 31st May 2005, on an open market existing use basis.

10. Stocks	2006 £	2005 £
Raw materials and consumables	413,644	303,292
Finished goods and goods for resale	<u>311,936</u>	<u>470,959</u>
	<u>725,580</u>	<u>774,251</u>
11. Debtors	2006 £	2005 £
Trade debtors	1,264,197	1,143,412
Amounts owed by group undertakings	-	349
Other debtors	1,043	45,348
Prepayments and accrued income	<u>97,574</u>	<u>35,177</u>
	<u>1,362,814</u>	<u>1,224,286</u>

As at 31st May 2006 the factored debts amounted to £1,264,197 (2005: £1,143,412).

Sunvic Controls Limited

**Notes to the financial statements
for the year ended 31 May 2006**

..... continued

12. Creditors: amounts falling due within one year	2006 £	2005 £
Bank overdraft	172	-
Bank loan	60,001	96,429
Factoring account	1,104,199	987,290
Net obligations under finance leases and hire purchase contracts	9,405	27,058
Trade creditors	714,939	867,484
Corporation tax	110,545	96,507
Other taxes and social security costs	150,728	132,084
Other creditors	12,268	28,683
Accruals and deferred income	121,199	68,358
	<u>2,283,456</u>	<u>2,303,893</u>

Some suppliers include in their conditions of sale a clause under which they reserve title to goods supplied until they are paid. These goods are included in stock. The finance leases and hire purchase contracts are secured on the assets concerned. The factoring account is secured by a charge over the book debts.

Sunvic Controls Limited

**Notes to the financial statements
for the year ended 31 May 2006**

..... continued

13. Creditors: amounts falling due after more than one year	2006 £	2005 £
Bank loan	1,182,484	1,205,775
Amounts owed to group undertakings	150,000	-
Net obligations under finance leases and hire purchase contracts	10,262	19,667
	<u>1,342,746</u>	<u>1,225,442</u>
Loans		
Repayable in one year or less, or on demand (Note 12)	60,001	96,429
Repayable between one and two years	60,000	96,429
Repayable between two and five years	180,000	289,287
Repayable in five years or more	942,484	820,059
	<u>1,242,485</u>	<u>1,302,204</u>

The term of the loan is 180 monthly instalments. Interest will be charged at the annual rate of 2% over the Bank of Scotland base rate as that rate fluctuates. Interest will be calculated on a day to day basis on the outstanding amount of the term loan and will be added to the term loan monthly from date of drawdown.

**Net obligations under finance leases
and hire purchase contracts**

Repayable within one year	10,549	32,727
Repayable between one and five years	10,263	20,811
	<u>20,812</u>	<u>53,538</u>
Finance charges and interest allocated to future accounting periods	(1,145)	(6,813)
	<u>19,667</u>	<u>46,725</u>

The finance leases and hire purchase contracts are secured on the assets concerned. The bank loan is secured by standard security over the freehold property.

Sunvic Controls Limited

**Notes to the financial statements
for the year ended 31 May 2006**

..... continued

14. Provisions for liabilities

	Deferred taxation (Note 16) £	Total £
At 1 June 2005	17,544	17,544
Movements in the year	36,076	36,076
At 31 May 2006	<u>18,532</u>	<u>18,532</u>

15. Accruals and deferred income

	2006 £	2005 £
Government grants		
At 1 June 2005	53,219	56,219
Released in year	(3,000)	(3,000)
At 31 May 2006	<u>50,219</u>	<u>53,219</u>

16. Provision for deferred taxation

	2006 £	2005 £
Accelerated capital allowances	<u>(18,532)</u>	<u>17,544</u>
Provision at 1 June 2005	17,544	
Deferred tax charge in profit and loss account	<u>(36,076)</u>	
Provision at 31 May 2006	<u>(18,532)</u>	

Sunvic Controls Limited

**Notes to the financial statements
for the year ended 31 May 2006**

..... continued

17. Share capital		2006	2005
		£	£
Authorised equity			
100 Ordinary shares of £1 each		100	100
		<u>100</u>	<u>100</u>
Allotted, called up and fully paid equity			
100 Ordinary shares of £1 each		100	100
		<u>100</u>	<u>100</u>
18. Equity Reserves			
	Revaluation	Profit	
	reserve	and loss	
	£	account	Total
		£	£
At 1 June 2005	1,183,475	(673,276)	510,199
Transfer of realised profit	(6,457)	-	(6,457)
Retained profit/(loss) for the year		235,784	235,784
	<u>1,177,018</u>	<u>(437,492)</u>	<u>739,526</u>
At 31 May 2006			
19. Reconciliation of movements in shareholders' funds		2006	2005
		£	£
Profit/(loss) for the year		235,784	(1,308,051)
Dividends		-	(1,300,200)
		<u>235,784</u>	<u>(2,608,251)</u>
Other recognised gains or losses		(6,457)	584,531
		<u>229,327</u>	<u>(2,023,720)</u>
Net addition to shareholders' funds		510,299	2,534,019
Opening shareholders' funds		<u>739,626</u>	<u>510,299</u>
Closing shareholders' funds			

20. Related party transactions

During the year the company was a wholly owned subsidiary undertaking of Tayclyde Ltd and in accordance with FRS 8 "Related party disclosures", the company is not required to disclose transactions with other members of the group.

Sunvic Controls Limited

Notes to the financial statements for the year ended 31 May 2006

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21. Ultimate parent undertaking

Tayclyde Ltd is the company's ultimate parent company. Mr D.M. Paulin is the company's ultimate controlling party due to holding 100% of the shares in Tayclyde Ltd.

22. Gross cash flows

	2006 £	2005 £
Returns on investments and servicing of finance		
Interest received	3,830	1,962
Interest paid	(176,134)	(239,954)
	<u>(172,304)</u>	<u>(237,992)</u>
Taxation		
Corporation tax paid	<u>(60,000)</u>	<u>-</u>
Capital expenditure		
Payments to acquire tangible assets	(41,261)	(158,210)
Receipts from sales of tangible assets	18,920	86,784
	<u>(22,341)</u>	<u>(71,426)</u>
Financing		
New long term bank loan	-	1,205,775
Other new long term loans	150,000	-
Other new short term loans	96,429	96,429
Repayment of other short term loans	(59,719)	-
Capital element of finance leases and hire purchase contracts	(9,405)	(11,450)
	<u>177,305</u>	<u>1,290,754</u>

Sunvic Controls Limited

**Notes to the financial statements
for the year ended 31 May 2006**

..... continued

23. Analysis of changes in net funds

	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Cash at bank and in hand	20,725	276,268		296,993
Overdrafts	-	(172)		(172)
	<u>20,725</u>	<u>276,096</u>		<u>296,821</u>
Debt due within one year	(96,429)	59,719	(23,291)	(60,001)
Debt due after one year	(1,205,775)	(150,000)	23,291	(1,332,484)
Finance leases and hire purchase contracts	(46,725)	9,405	17,653	(19,667)
	<u>(1,348,929)</u>	<u>(80,876)</u>	<u>17,653</u>	<u>(1,412,152)</u>
Net funds	<u>(1,328,204)</u>	<u>195,220</u>	<u>17,653</u>	<u>(1,115,331)</u>