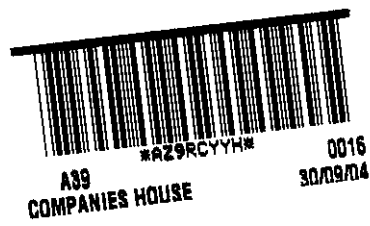


Registration number 898153

Sapphire Research & Electronics Limited

Abbreviated accounts

for the year ended 31st March 2004



Sapphire Research & Electronics Limited

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Sapphire Research & Electronics Limited

**Abbreviated balance sheet
as at 31st March 2004**

		2004		2003	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	2		10,682		10,648
Investments	2		66,587		55,934
			<u>77,269</u>		<u>66,582</u>
Current assets					
Stocks		34,701		26,868	
Debtors		276,039		200,444	
Cash at bank and in hand		383,551		321,573	
		<u>694,291</u>		<u>548,885</u>	
Creditors: amounts falling due within one year		<u>(286,233)</u>		<u>(225,715)</u>	
Net current assets			<u>408,058</u>		<u>323,170</u>
Total assets less current liabilities			485,327		389,752
Provisions for liabilities and charges			(35)		(141)
Net assets			<u>485,292</u>		<u>389,611</u>
Capital and reserves					
Called up share capital	3		500		500
Profit and loss account			484,792		389,111
Shareholders' funds			<u>485,292</u>		<u>389,611</u>

The director's statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 3 to 5 form an integral part of these financial statements.

Sapphire Research & Electronics Limited

Abbreviated balance sheet (continued)

**Director's statements required by Section 249B(4)
for the year ended 31st March 2004**

In approving these abbreviated accounts as director of the company I hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 ;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31st March 2004 and

(c) that I acknowledge my responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies .

The abbreviated accounts were approved by the Board on 14th September 2004 and signed on its behalf by

R V Parker

Director



Director

The notes on pages 3 to 5 form an integral part of these financial statements.

Sapphire Research & Electronics Limited

Notes to the abbreviated financial statements for the year ended 31st March 2004

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of goods and services rendered and related sales made during the year.

1.3. Tangible fixed assets and depreciation

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

Leasehold properties	-	Straight line over the life of the lease
Other tangible assets	-	15% to 25% straight line

1.4. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.5. Stock

Stock is valued at the lower of cost and net realisable value.

1.6. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year in accordance with SSAP 24.

Sapphire Research & Electronics Limited

Notes to the abbreviated financial statements for the year ended 31st March 2004

..... continued

1.7. Deferred taxation

The company adopted Financial Reporting Standard 19 "Deferred Taxation" (FRS 19) during the financial year.

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.

Prior to the adoption of FRS 19, the company provided for deferred taxation only to the extent that timing differences were expected to materialise in the foreseeable future. The adoption of the new policy has been made by way of a prior year adjustment as though the revised policy had always been applied.

Sapphire Research & Electronics Limited

Notes to the abbreviated financial statements for the year ended 31st March 2004

..... continued

2. Fixed assets	Tangible fixed assets £	Investments £	Total £
Cost			
At 1st April 2003	39,814	77,458	117,272
Additions	1,898	23,891	25,789
Disposals	(5,454)	(28,670)	(34,124)
At 31st March 2004	<u>36,258</u>	<u>72,679</u>	<u>108,937</u>
Depreciation and Provision for diminution in value			
At 1st April 2003	29,166	21,524	50,690
On disposals	(5,260)	-	(5,260)
Charge for year and movement	1,670	(15,432)	(13,762)
At 31st March 2004	<u>25,576</u>	<u>6,092</u>	<u>31,668</u>
Net book values			
At 31st March 2004	<u>10,682</u>	<u>66,587</u>	<u>77,269</u>
At 31st March 2003	<u>10,648</u>	<u>55,934</u>	<u>66,582</u>

3. Share capital	2004 £	2003 £
Authorised		
500 Ordinary shares of 1 each	<u>500</u>	<u>500</u>
Allotted, called up and fully paid		
500 Ordinary shares of 1 each	<u>500</u>	<u>500</u>

4. Controlling interest

Mr R V Parker has control over the majority of the issued shares, and as such has control of the company.