

Registration
Number 898153

Sapphire Research & Electronics Limited
Abbreviated Financial Statements
for the year ended 31st March 1997



**Auditors' Report to Sapphire Research & Electronics
Limited
pursuant to Paragraph 24 of Schedule 8 to the Companies Act
1985**

We have examined the abbreviated financial statements on pages 3 to 5 together with the financial statements of Sapphire Research & Electronics Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31st March 1997.

Respective responsibilities of director and auditors

The director is responsible for preparing abbreviated financial statements in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the director's statement on page 3 and whether the abbreviated financial statements have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated financial statements have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion, the company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemption conferred by Section A of Part III of Schedule 8 to that Act in respect of the year ended 31st March 1997, and the abbreviated financial statements on pages 3 to 5 have been properly prepared in accordance with that Schedule.

Other information

On 29th June 1997 we reported as auditors of Sapphire Research & Electronics Limited to the members on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31st March 1997 and our audit report was as follows:

'We have audited the financial statements on pages 3 to 8 which have been prepared under the historic cost convention and the accounting policies set out on page 5.

Respective responsibilities of director and auditors

As described on page 1 (see continuation page) the company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 director in the preparation of the financial statements, and whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

**Auditors' Report to Sapphire Research & Electronics
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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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at the 31st March 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 as applicable to small companies.'

Director's Responsibilities

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

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements based on the going concern

basis unless

it is inappropriate to presume that the company will continue in business.

The director is 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 is 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.

Harries Watkins & Co.
Harries Watkins & Co.

Chartered Accountants and
Registered Auditor

85 Taff Street
Pontypridd
Mid-Glamorgan.

30th June 1997

Sapphire Research & Electronics Limited

Abbreviated Balance Sheet as at 31st March 1997

	Notes	£	1997	£	£	1996	£
Fixed Assets							
Tangible assets	2			11,617			12,937
Current Assets							
Stocks			10,687			10,154	
Debtors			154,223			81,295	
Cash at bank and in hand			48,864			12,567	
			<u>213,774</u>			<u>104,016</u>	
Creditors: amounts falling due within one year	3	(122,046)			(86,766)		
Net Current Assets				91,728			17,250
Total Assets Less Current Liabilities				<u>103,345</u>			<u>30,187</u>
Creditors: amounts falling due after more than one year	4			(433)			(1,011)
Net Assets				<u>102,912</u>			<u>29,176</u>
Capital and Reserves							
Called up share capital	5			500			500
Profit and loss account				102,412			28,676
Equity Shareholders' Funds				<u>102,912</u>			<u>29,176</u>

In preparing these Abbreviated financial statements:

- Advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8 of the Companies Act 1985.
- Advantage has been taken, in the preparation of the financial statements, of special exemptions applicable to small companies.
- In the opinion of the director the company is entitled to those exemptions on the basis that it qualifies as a small company under Section 247 of the Companies Act 1985.

The financial statements were approved by the Board on 29th June 1997 and signed on its behalf by

Mr. R. V. Parker
Director



Sapphire Research & Electronics Limited

**Notes to the Abbreviated Financial Statements
for the year ended 31st March 1997**

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small company.

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 has been provided at rates calculated to write off the cost less residual value of each asset over its expected useful life and has been reasonably computed and consistently applied.

1.4 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.

1.5 Stock

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

1.6 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the director considers that a liability to taxation is unlikely to materialise.

Sapphire Research & Electronics Limited
Notes to the Abbreviated Financial Statements
for the year ended 31st March 1997

2. Fixed assets

	Tangible fixed assets £
Cost	
At 1 April 1996	26,164
Additions	859
At 31st March 1997	<u>27,023</u>
Depreciation	
At 1 April 1996	13,227
Charge for year	2,179
At 31st March 1997	<u>15,406</u>
Net book values	
At 31st March 1997	<u>11,617</u>
At 31st March 1996	<u><u>12,937</u></u>

3. Creditors: amounts falling due within one year

Creditors include the following:

Secured creditors

1997 £	1996 £
<u>-</u>	<u>578</u>

4. Creditors: amounts falling due after more than one year

Creditors include the following:

Secured creditors

1997 £	1996 £
<u>-</u>	<u>1,011</u>

5. Share capital

Authorised equity

500 Ordinary shares of £1 each

1997 £	1996 £
<u>500</u>	<u>500</u>

Allotted, called up and fully paid equity
500 Ordinary shares of £1 each

1997 £	1996 £
<u>500</u>	<u>500</u>