

SEMAPHORE SYSTEMS LIMITED

ABBREVIATED STATUTORY ACCOUNTS
FOR THE YEAR ENDED 31ST AUGUST 2005



Company No. 1427899 (England and Wales)

SEMAPHORE SYSTEMS LIMITED

AUDITOR'S REPORT TO SEMAPHORE SYSTEMS LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

I have examined the abbreviated accounts set out on pages 2 to 4, together with the financial statements of the company for the year ended 31st August 2005 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is my responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report my opinion to you.

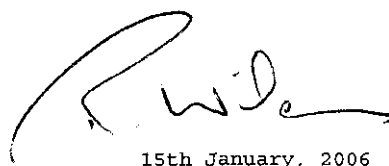
Basis of opinion

I have carried out the procedures I consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of my work for the purpose of this report did not include examining or dealing with events after the date of my report on the financial statements.

Opinion

In my opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.

ROBERT L. WILES, FCA.,
Chartered Accountant
and Registered Auditor,
33 Bush Hill,
Winchmore Hill,
LONDON, N21 2BT.



15th January, 2006

SEMAPHORE SYSTEMS LIMITEDABBREVIATED BALANCE SHEET AS AT 31ST AUGUST 2005

	<u>Notes</u>	<u>2005</u>		<u>2004</u>	
		£	£	£	£
FIXED ASSETS					
Tangible assets	2		260,022		248,567
CURRENT ASSETS					
Stocks and work in progress		58,504		56,301	
Debtors		189,157		112,513	
Cash at bank		1,138		134	
		-----		-----	
		248,799		168,948	
CREDITORS: amounts falling due within one year		(147,546)		(155,406)	
		-----		-----	
NET CURRENT ASSETS			101,253		13,542
TOTAL ASSETS LESS CURRENT LIABILITIES			-----		-----
			361,275		262,109
CREDITORS: Amounts falling due after more than one year	3		(244,410)		(86,858)
			-----		-----
			116,865		175,251
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation			(240)		(1,011)
			-----		-----
NET ASSETS			£116,625		£174,240
			-----		-----
CAPITAL AND RESERVES					
Called up share capital	4		100		100
Profit and loss account			116,525		174,140
			-----		-----
SHAREHOLDERS' FUNDS			£116,625		£174,240
			-----		-----

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved by the Board on 15th January, 2006 and signed on its behalf.

PA KING
Director

The notes on pages 3 to 4 form part of these financial statements.

SEMAPHORE SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31ST AUGUST 2005

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

1.2 TURNOVER

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

1.3 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost or valuation less depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold Property	2% straight line basis
Office Furniture and Equipment	15% reducing balance basis
Computer Equipment	20% reducing balance basis
Motor Vehicles	25% reducing balance basis

1.4 OPERATING LEASES

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

1.5 STOCKS AND WORK IN PROGRESS

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 stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.6 FOREIGN CURRENCIES

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 ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

1.7 DEFERRED TAXATION

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

SEMAPHORE SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST AUGUST 2005

2. FIXED ASSETS	Tangible Fixed Assets	
	£	
COST		
At 1st September 2004	359,273	
Additions	25,950	
Disposals	-	

At 31st August 2005	£385,223	

DEPRECIATION		
At 1st September 2004	110,706	
On disposals	-	
Charge for year	14,495	

At 31st August 2005	£125,201	

NET BOOK VALUES		
At 31st August 2005	£260,022	

At 31st August 2004	£248,567	

3. CREDITORS		
Creditors include the following amounts of secured liabilities:		
	<u>2005</u>	<u>2004</u>
	£	£
Due within one year	48,643	30,450
Due after more than one year	244,410	86,858
	-----	-----
	£293,053	£117,308
	-----	-----
4. CALLED UP SHARE CAPITAL	<u>2005</u>	<u>2004</u>
	£	£
AUTHORISED		
Ordinary Shares of £1 each	£ 100	£ 100
	=====	=====
ALLOTTED, CALLED UP AND FULLY PAID		
Ordinary Shares of £1 each	£ 100	£ 100
	=====	=====