

COMPANY REGISTRATION NUMBER 1785712

ELECTRONIC MICRO SYSTEMS LIMITED
UNAUDITED ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2005



MOORE STEPHENS
Chartered Accountants
65 New Street
Salisbury
Wiltshire
SP1 2PH

ELECTRONIC MICRO SYSTEMS LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2005

CONTENTS	PAGES
Abbreviated balance sheet	1 to 2
Notes to the abbreviated accounts	3 to 5

ELECTRONIC MICRO SYSTEMS LIMITED**ABBREVIATED BALANCE SHEET****31 DECEMBER 2005**

	Note	2005 £	£	2004 £	£
FIXED ASSETS	2				
Tangible assets			15,963		19,384
CURRENT ASSETS					
Stocks		1,786		2,092	
Debtors		25,238		17,646	
Cash at bank and in hand		143,631		146,593	
		<u>170,655</u>		<u>166,331</u>	
CREDITORS: Amounts falling due within one year		<u>114,210</u>		<u>94,800</u>	
NET CURRENT ASSETS			<u>56,445</u>		<u>71,531</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>72,408</u>		<u>90,915</u>
PROVISIONS FOR LIABILITIES AND CHARGES			-		1,732
			<u>72,408</u>		<u>89,183</u>

The Balance sheet continues on the following page.
The notes on pages 3 to 5 form part of these abbreviated accounts.

ELECTRONIC MICRO SYSTEMS LIMITED**ABBREVIATED BALANCE SHEET** *(continued)***31 DECEMBER 2005**

	Note	2005 £	2004 £
CAPITAL AND RESERVES			
Called-up equity share capital	4	100	100
Profit and loss account		<u>72,308</u>	<u>89,083</u>
SHAREHOLDERS' FUNDS		<u>72,408</u>	<u>89,183</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) 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 financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 23.9.2006 and are signed on their behalf by:



.....
P J GUARD

ELECTRONIC MICRO SYSTEMS LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31 DECEMBER 2005****1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities June 2005.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	over the period of the lease
Plant & Machinery	-	15% reducing balance basis
Fixtures & Fittings	-	25% reducing balance basis
Motor Vehicles	-	25% reducing balance basis

Stocks

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

Pension costs

Two directors are accruing benefits under money purchase schemes.

ELECTRONIC MICRO SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2005

1. ACCOUNTING POLICIES *(continued)*

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.

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.

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

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. FIXED ASSETS

	Tangible Assets £
COST	
At 1 January 2005 and 31 December 2005	<u>76,215</u>
DEPRECIATION	
At 1 January 2005	56,831
Charge for year	<u>3,421</u>
At 31 December 2005	<u>60,252</u>

ELECTRONIC MICRO SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2005

2. FIXED ASSETS *(continued)*

NET BOOK VALUE

At 31 December 2005

15,963

At 31 December 2004

19,384

3. TRANSACTIONS WITH THE DIRECTORS

Included within other creditors is a directors loan account balance of £66,255 (2004 £53,805)

4. SHARE CAPITAL

Authorised share capital:

	2005	2004
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2005		2004
	No	£	No
	£		£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>
			<u>100</u>