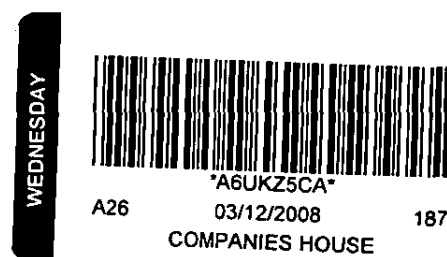


KAYTU SYSTEMS LIMITED
UNAUDITED ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2008



Company Registration Number 02098289

Tenon Limited
Accountants and Business Advisers
Tenon House
Ferryboat Lane
Sunderland
SR5 3JN

KAYTU SYSTEMS LIMITED
ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2008

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KAYTU SYSTEMS LIMITED
ABBREVIATED BALANCE SHEET
31 MARCH 2008

	Note	2008 £	£	2007 £	£
Fixed assets	2				
Tangible assets			482,557		454,027
Current assets					
Stocks		87,868		111,615	
Debtors		261,186		235,936	
Cash at bank and in hand		430		240	
		<u>349,484</u>		<u>347,791</u>	
Creditors: Amounts falling due within one year	3	<u>(423,313)</u>		<u>(381,017)</u>	
Net current liabilities			(73,829)		(33,226)
Total assets less current liabilities			<u>408,728</u>		<u>420,801</u>
Creditors: Amounts falling due after more than one year	4		(184,441)		(201,624)
Government grants	5		2,222		4,444
			<u>222,065</u>		<u>214,733</u>
Capital and reserves					
Called-up share capital	7		1,000		1,000
Revaluation reserve			226,942		230,562
Other reserves			1,000		1,000
Profit and loss account			(6,877)		(17,829)
Shareholders' funds			<u>222,065</u>		<u>214,733</u>

The Balance sheet continues on the following page.
The notes on pages 3 to 6 form part of these abbreviated accounts.

KAYTU SYSTEMS LIMITED
ABBREVIATED BALANCE SHEET *(continued)*
31 MARCH 2008

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 and authorised for issue on 30/11/08, and are signed on their behalf by:

K. Bates

Mr K Bates

Director

The notes on pages 3 to 6 form part of these abbreviated accounts.

KAYTU SYSTEMS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2008

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Cash flow statement

The company has adopted the Financial Reporting Standard For Smaller Entities (effective January 2007) and is consequently exempt from the requirement to include a cash flow statement in the financial statements.

Turnover

The turnover shown in the profit and loss account represents the value of all goods sold during the period, less returns received, at selling price exclusive of Value Added Tax. Sales are recognised at the point at which the company has fulfilled its contractual obligations and the risks and rewards attaching to the product, such as obsolescence, have been transferred to the customer.

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	-	Straight line over the life of the lease
Plant & Machinery	-	15% Reducing Balance/33% Straight Line
Fixtures & Fittings	-	20% Reducing Balance
Motor Vehicles	-	25% Reducing Balance

Release of revaluation reserve

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Stocks

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

Cost is based on a first in first out basis.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

Work in progress

Work in progress is valued on the basis of direct costs and labour. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

KAYTU SYSTEMS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2008

1. Accounting policies (continued)

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value, and are depreciated in accordance with the above depreciation policies.

Future instalments payable under such agreements, net of finance charges, are included within creditors. Rentals payable are apportioned between the capital element, which reduces the outstanding obligation included within creditors, and the finance element, which is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

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 tax, or a right to pay less tax, or a right to receive repayments of tax.

Deferred tax assets are recognised only to the extent that the directors consider it 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 assets and liabilities recognised have not been discounted.

Deferred tax is measured on a non-discounted basis at the average 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.

Financial instruments

Financial instruments are classified and accounted for as financial assets, financial liabilities or equity instruments, according to the substance of the contractual arrangement.

Financial instruments which are assets are stated at cost less any provision for impairment. Financial liabilities are stated at principal capital amounts outstanding at the period end. Issue costs relating to financial liabilities are deducted from the outstanding balance and are amortised over the period to the due date for repayment of the financial liability.

Deferred government grants

Government grants in respect of capital expenditure are credited to the profit and loss account over the estimated useful life of the relevant fixed assets. The grants shown in the balance sheet represent the total grants receivable to date less the amount so far credited to the profit and loss account.

KAYTU SYSTEMS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2008

2. Fixed assets

	Tangible Assets £
Cost or valuation	
At 1 April 2007	896,634
Additions	55,647
Disposals	<u>(41,366)</u>
At 31 March 2008	<u>910,915</u>
Depreciation	
At 1 April 2007	442,607
Charge for year	25,358
On disposals	<u>(39,607)</u>
At 31 March 2008	<u>428,358</u>
Net book value	
At 31 March 2008	<u>482,557</u>
At 31 March 2007	<u>454,027</u>

3. Creditors: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2008 £	2007 £
Bank loans and overdrafts	79,293	60,168
Hire purchase agreements	16,875	12,023
	<u>96,168</u>	<u>72,191</u>

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

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2008 £	2007 £
Bank loans and overdrafts	140,993	156,717
Hire purchase agreements	36,788	18,333
	<u>177,781</u>	<u>175,050</u>

5. Government grants

	2008 £	2007 £
Received and receivable	26,561	26,561
Amortisation	<u>(24,339)</u>	<u>(22,117)</u>
	<u>2,222</u>	<u>4,444</u>

KAYTU SYSTEMS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2008

6. Related party transactions

The directors' current accounts were nil at the year end (2007: £998 overdrawn). The maximum amount that the directors' current accounts were overdrawn during the year was £998.

No other transactions with related parties were undertaken such as are required to be disclosed under the Financial Reporting Standard for Smaller Entities (effective January 2007).

7. Share capital

Authorised share capital:

	2008	2007
	£	£
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2008		2007
	No	£	No
	1,000	1,000	1,000
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

8. Ultimate controlling party

The company was under the joint control of Mr K Bates and Mr B R Young.