

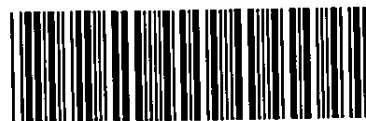
Company Registration No. 2345696

ROMAX TECHNOLOGY LTD

Report and Financial Statements

31 March 2008

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ROMAX TECHNOLOGY LTD

REPORT AND FINANCIAL STATEMENTS 2008

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ROMAX TECHNOLOGY LTD

OFFICERS AND PROFESSIONAL ADVISERS

REPORT AND FINANCIAL STATEMENTS 2008

DIRECTORS

Dr S Y Poon
Mr Y Park

SECRETARY

Mr P C Atkin

REGISTERED OFFICE

Rutherford House
Nottingham Science & Technology Park
Nottingham
NG7 2PZ

BANKERS

HSBC Bank Plc
12 Victoria Street
Nottingham
NG1 2FF

SOLICITORS

Eversheds
1 Royal Standard Place
Nottingham
NG1 6FZ

AUDITORS

Deloitte LLP
Nottingham

ROMAX TECHNOLOGY LTD

DIRECTOR'S REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2008.

This directors' report has been prepared under the special provision relating to small companies under section 246(4) of the Companies Act 1985. For the same reason, no group accounts have been prepared.

ACTIVITIES

The principal activity of the company is the sale of computer systems and technology, specifically in power transmission and rotor dynamics, on both a national and international basis.

RESULTS AND DIVIDENDS AND FUTURE PROSPECTS

The result for the year after taxation amounted to a profit of £1k (2007: £198k). The directors did not pay a dividend during the year (2007: £15k). The directors expect profitability to continue.

DIRECTORS

The Directors who served throughout the year are as follows:

Dr S Y Poon

Mr Y Park

DIRECTOR'S STATEMENT OF RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are 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.

ROMAX TECHNOLOGY LTD

DIRECTOR'S REPORT

FINANCIAL RISK MANAGEMENT

The company's activities expose it to a number of financial risks including, credit risk, cash flow risk and liquidity risk. The company does not use derivative financial instruments for speculative purposes.

Cash flow risk

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. Foreign exchange forward contracts are not used to hedge these risks and exchange rate risk is reviewed on a contract basis.

Credit risk

The company's principal financial assets are bank balances and cash, trade and other receivables. The principal credit risk is in respect of its trade receivables. The amount presented in the balance sheet is net of allowances for doubtful receivables. An allowance is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long and short term finance which is made available from finance companies and its bankers. The company uses a bank overdraft which is due for renewal in January 2009; the Directors expect to renew this facility for a further twelve months and to operate within the level of this facility during that period.

AUDITORS

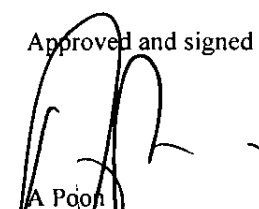
Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte LLP have expressed their willingness to continue in office as auditors of the company. A resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

Approved and signed on behalf of the Directors



A Poon
Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROMAX TECHNOLOGY LIMITED

We have audited the financial statements of Romax Technology Limited for the year ended 31 March 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 20. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

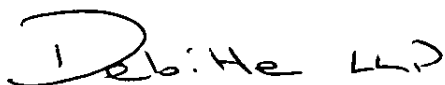
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company, consistently applied and adequately disclosed.

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, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2008 and of the company's profit for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985 applicable to small companies; and
- the information given in the directors' report is consistent with the financial statements.



Deloitte LLP
Chartered Accountants and Registered Auditors
Nottingham UK

12 January 2009

ROMAX TECHNOLOGY LTD

PROFIT AND LOSS ACCOUNT Year ended 31 March 2008

	Note	2008 £'000	2007 £'000
TURNOVER	1	5,531	4,474
Cost of sales		(3,517)	(2,478)
GROSS PROFIT		2,014	1,996
Administrative expenses		(1,901)	(1,715)
OPERATING PROFIT	2	113	281
NET INTEREST PAYABLE	3	(26)	(19)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		87	262
Tax on profit on ordinary activities	5	(86)	(64)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	15	1	198

There were no recognised gains or losses other than the result for the current and prior financial year.

All the above operations derive from continuing activities.

Turnover from overseas amounts to 98% of total turnover (2007: 93%).

ROMAX TECHNOLOGY LTD

BALANCE SHEET

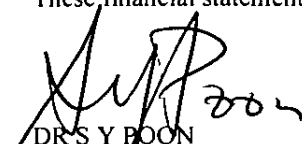
31 March 2008

	Note	£	2008 £	£	2007 £
FIXED ASSETS					
Tangible fixed assets	7		354		365
Investments	8		691		215
			<u>1,045</u>		<u>580</u>
CURRENT ASSETS					
Stocks	9	35		154	
Debtors	10	1,800		1,522	
Cash at bank and in hand		61		85	
		<u>1,896</u>		<u>1,761</u>	
CREDITORS: amounts falling due within one year	11	<u>(1,914)</u>		<u>(1,385)</u>	
NET CURRENT (LIABILITIES) / ASSETS			<u>(18)</u>		<u>376</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,027		956
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	12		(89)		(19)
			<u>938</u>		<u>937</u>
CAPITAL AND RESERVES					
Called up share capital	14		80		80
Profit and loss account	15		858		857
SHAREHOLDERS' FUNDS			<u>938</u>		<u>937</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies under s246 Companies Act 1985 and with the Financial Reporting Standards for Small Entities (effective January 2007).

These financial statements were approved and signed by the Director on

9th January 2009.


DRS Y BOON
Director

ROMAX TECHNOLOGY LTD

NOTES TO THE ACCOUNTS Year ended 31 March 2008

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007). The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Tangible fixed assets and depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets over their expected useful lives. The rates generally used are:

Office equipment	decreasing balance 20%
Computer Equipment	decreasing balance 33% or straight line over 2 years
Motor vehicles	straight line over 5 years
Leasehold Improvements	straight line over 5 years

Research and development

Research and development expenditure is charged to the profit and loss accounts in the period it is incurred.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value.

Taxation

Current tax, including UK and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

Defined contribution scheme

The pension costs charged against profits represent the amount of the contribution payable to the scheme in respect of the accounting period.

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

ROMAX TECHNOLOGY LTD

NOTES TO THE ACCOUNTS

Year ended 31 March 2008

2. OPERATING PROFIT

Operating profit is stated after charging/(crediting):	2008 £'000	2007 £'000
Depreciation of tangible fixed assets		
Owned assets	107	95
Assets held under finance leases and hire purchase contracts	24	33
Operating lease rentals		
Plant and machinery	30	22
Other	115	100
Pension contributions	142	111
Fees payable to the company's auditor for the audit of the company's annual accounts	8	8
Exchange (gains) / losses	(39)	36

3. NET INTEREST PAYABLE

	2008 £'000	2007 £'000
Bank interest payable	2	4
Other interest payable and similar charges	26	16
Total interest payable	28	20
Other interest receivable and similar income	(2)	(1)
	26	19

4. INFORMATION REGARDING THE DIRECTORS

	2008 £'000	2007 £'000
Directors' emoluments (excludes pension)	194	150

The directors did not participate in a money purchase scheme.

ROMAX TECHNOLOGY LTD

NOTES TO THE ACCOUNTS Year ended 31 March 2008

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

Analysis of charge in the period:	2008 £'000	2007 £'000
Current period taxation		
UK and foreign corporation tax	102	112
Adjustments in respect of prior period	(5)	(4)
Total current tax	97	108
Deferred taxation		
Origination and reversal of timing differences	(11)	(44)
	86	64

The current tax charge for the year is higher than the standard rate of corporation tax of 20% (2007: 19%) due to foreign tax suffered.

Factors effecting future tax charges:

In March 2007, the UK government announced that they would introduce legislation that would increase the small company corporation tax rate to 21% with effect from 1 April 2008. The effective tax rate for the period to 31 March 2009 is expected to increase accordingly.

6. DIVIDENDS

	2008 £'000	2007 £'000
Dividends paid	Nil	15

ROMAX TECHNOLOGY LTD

NOTES TO THE ACCOUNTS Year ended 31 March 2008

7. TANGIBLE FIXED ASSETS

	Leasehold improvements £'000	Fixtures and fittings £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 April 2007	189	99	341	51	680
Additions	-	8	112	-	120
Disposals	-	-	(2)	(30)	(32)
At 31 March 2008	189	107	451	21	768
Depreciation					
At 1 April 2007	93	49	138	35	315
Charge for the period	38	9	80	4	131
Disposals	-	-	(2)	(30)	(32)
At 31 March 2008	131	58	216	9	414
Net book value					
At 31 March 2008	58	49	235	12	354
At 31 March 2007	96	50	203	16	365

The net value of assets includes £67k (2007: £91k) in respect of assets held under finance leases and similar hire purchase contracts. The amount of depreciation in respect of such assets amounted to £24k for the year (2007: £33k).

ROMAX TECHNOLOGY LTD

NOTES TO THE ACCOUNTS Year ended 31 March 2008

8. INVESTMENTS

	Subsidiary undertaking shares (cost) £'000	Joint venture shares (cost) £'000	Total £'000
Cost:			
At 1 April 2007	103	112	215
Additions	43	433	466
At 31 March 2008	146	545	691
Provisions:			
At 1 April 2007 and 31 March 2008	-	-	-
Net book amounts:			
At 31 March 2008	146	545	691
At 31 March 2007	103	112	215

The additions in the year relate to further funds invested in the USA, Korea and Japan, as well as the Joint Venture in China.

The company is exempt from the requirements to prepare group accounts under section 246(4) of the Companies Act 1985.

Details of the investments in which the company holds more than 20% of the nominal value of any class of share capital are as follows:

Name of company	Country of registration (or incorporation and operation)	Holding	Proportion of voting rights and share held	Nature of Business
Subsidiary undertakings				
Romax Japan	Japan	Ordinary shares	100%	Transmission software sales & consultancy
Romax Korea	Korea	Ordinary shares	100%	Transmission software sales & consultancy
Romax Solution Pvt	India	Ordinary shares	100%	Transmission software sales & consultancy
Romax Technology Inc	USA	Ordinary shares	100%	Transmission software sales & consultancy

ROMAX TECHNOLOGY LTD

NOTES TO THE ACCOUNTS Year ended 31 March 2008

8. INVESTMENTS (continued)

Joint Ventures	Country of registration (or incorporation and operation)	Holding	Proportion of voting rights and share held	Nature of Business
GIF – Romax China	China	Ordinary shares	20%	Gearbox testing & consultancy

On 13 June 2008 the company sold its 20% holding in GIF – Romax China, a joint venture company incorporated in China.

9. STOCKS

	2008 £'000	2007 £'000
Work in progress	35	154

10. DEBTORS

	2008 £'000	2007 £'000
Trade debtors	1,424	1,383
Amounts due from related parties	64	0
Prepayments and other debtors	274	112
Deferred tax asset (note 13)	38	27
	<u>1,800</u>	<u>1,522</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £'000	2007 £'000
Amounts due under finance leases	73	25
Trade creditors	326	275
Amounts due to related parties	53	23
Corporation tax	-	2
Social security and other taxes	104	142
Accruals and deferred income	1,358	918
	<u>1,914</u>	<u>1,385</u>

ROMAX TECHNOLOGY LTD

NOTES TO THE ACCOUNTS

Year ended 31 March 2008

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2008 £'000	2007 £'000
Amounts due under finance leases	89	19

Maturity of borrowings

	2008 £'000	2007 £'000
Hire purchase creditors due:		
Within one year	73	25
1 - 2 years	70	15
2 - 5 years	19	4
	162	44

These loans are secured on the specific assets to which they relate.

13. PROVISIONS FOR LIABILITIES

Deferred tax	2008 £'000	2007 £'000
At 1 April 2007	(27)	17
Charge for the year	(25)	(44)
Adjustment in respect of prior year	14	-
At 31 March 2008 (note 10)	(38)	(27)

The amounts of deferred taxation provided during the year are as follows:

	2008 £'000	2007 £'000
Accelerated capital allowances	(38)	(27)

The deferred tax asset has been provided as the directors expect future taxable profits for this to be utilised against. The company has no material unprovided deferred tax.

14. CALLED UP SHARE CAPITAL

	2008 £'000	2007 £'000
Authorised		
100,000 ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
80,002 ordinary shares of £1 each	80	80

ROMAX TECHNOLOGY LTD

NOTES TO THE ACCOUNTS Year ended 31 March 2008

15. RESERVES

	Profit and loss account £
At 1 April 2007	857
Profit for the period	1
	<hr/>
At 31 March 2008	858
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16. OPERATING LEASE COMMITMENTS

Operating lease commitments amounting to £117k (2007: £100k) are due within one year. The leases to which these amounts relate expire as follows:

	Land and buildings	
	2008	2007
	£'000	£'000
More than one year but not more than five years	117	100
	<hr/>	<hr/>

17. CAPITAL COMMITMENTS

The company had no capital commitments at 31 March 2008 or 31 March 2007.

18. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 2008 or 31 March 2007.

19. PENSIONS

The company operates a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

20. CONTROLLING RELATED PARTY

Dr S Y Poon, a director of the company, is also the company's controlling related party by virtue of a majority shareholding.

During the year a motor vehicle was sold to Dr S Y Poon at market value.