

ABS TECHNOLOGY PLC
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2011



TWP ACCOUNTING LLP
Chartered Accountants & Statutory Auditors
The Old Rectory
Church Street
Weybridge
Surrey
KT138DE

ABS TECHNOLOGY PLC

COMPANY INFORMATION

| | |
|--------------------------|---|
| DIRECTORS | N I Tyrrell M R Tyrrell M J Jeffery (resigned 31 August 2011) S Brewer (resigned 31 August 2011) |
| COMPANY SECRETARY | M R Tyrrell |
| COMPANY NUMBER | 03390908 |
| REGISTERED OFFICE | Technology House Church Road Shottermill Haslemere Surrey GU27 1NU |
| AUDITORS | TWP Accounting LLP Chartered Accountants & Statutory Auditors The Old Rectory Church Street Weybridge Surrey KT13 8DE |

ABS TECHNOLOGY PLC

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 AUGUST 2011

The directors present their report and the financial statements for the period ended 31 August 2011

PRINCIPAL ACTIVITIES

The principal activities of the company during the period were that of providing computer hardware and software, general office equipment and business consultancy services

BUSINESS REVIEW

Accounts to 31st August 2011, saw sales in line with 2010 at £2,2m, with profit margins increasing to 27.1% from 26.4%. ABS Technology has maintained its sales over the last year overcoming strong competition.

The year end was brought forward to 31 August 2011, to coincide with the sell to Apogee Corporation Ltd. The assets of the business were hived up into Apogee Corporation and the business activities of ABS Technology and customers have all transferred into the enlarged Apogee entity.

ABS TECHNOLOGY PLC

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 AUGUST 2011

RESULTS AND DIVIDENDS

The profit for the period, after taxation, amounted to £19,440 (2010 - loss £3,024)

Dividends paid on ordinary shares during the year of £48,000 (2010 - £199,692)

DIRECTORS

The directors who served during the period were

N I Tyrrell

M R Tyrrell

M J Jeffery (resigned 31 August 2011)

S Brewer (resigned 31 August 2011)

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company made charitable donations of £61 (2010 £1,286)

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' 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 the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

COMPANY'S POLICY FOR PAYMENT OF CREDITORS

It is the company policy, in respect of all its suppliers, to agree the terms of payment with the suppliers when entering into each transaction, and to abide by them. The average payment period is 53 days (2009 - 38 days).

ABS TECHNOLOGY PLC

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2011**

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

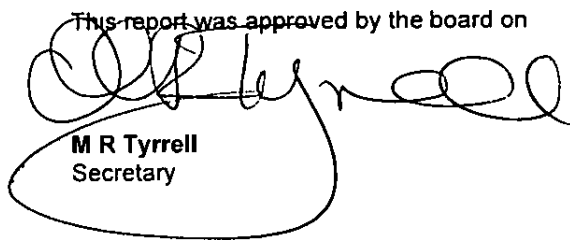
AUDITORS

The auditors, TWP Accounting LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006

This report was approved by the board on

28/2/12

and signed on its behalf



M R Tyrrell
Secretary

ABS TECHNOLOGY PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ABS TECHNOLOGY PLC

We have audited the financial statements of ABS Technology plc for the period ended 31 August 2011, set out on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 August 2011 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

ABS TECHNOLOGY PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ABS TECHNOLOGY PLC

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Philip Munk (Senior statutory auditor)

for and on behalf of
TWP Accounting LLP

Chartered Accountants
Statutory Auditors

The Old Rectory
Church Street
Weybridge
Surrey
KT13 8DE
Date

2/3/2012

ABS TECHNOLOGY PLC

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 AUGUST 2011

| | | 11 months ended 31 August 2011 £ | Year ended 30 September 2010 £ |
|--|------|---|---|
| | Note | | |
| TURNOVER | 1,2 | 2,212,292 | 2,264,754 |
| Cost of sales | | (1,611,412) | (1,667,613) |
| GROSS PROFIT | | 600,880 | 597,141 |
| Distribution costs | | (106,141) | (133,088) |
| Administrative expenses | | (441,003) | (466,354) |
| Other operating income | 3 | 7,150 | 7,600 |
| OPERATING PROFIT | 4 | 60,886 | 5,299 |
| Interest receivable and similar income | | 110 | 3,602 |
| Interest payable and similar charges | 8 | (5,651) | (5,255) |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 55,345 | 3,646 |
| Tax on profit on ordinary activities | 9 | (35,905) | (6,670) |
| PROFIT/(LOSS) FOR THE FINANCIAL PERIOD | 16 | 19,440 | (3,024) |

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and loss account

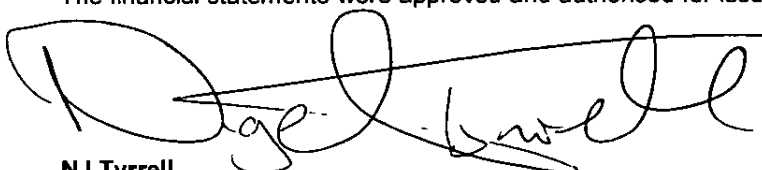
The notes on pages 9 to 20 form part of these financial statements

ABS TECHNOLOGY PLC
REGISTERED NUMBER: 03390908

BALANCE SHEET
AS AT 31 AUGUST 2011

| | | 31 August 2011 | 30 September 2010 |
|---|------|-----------------------|-----------------------|
| | Note | £ | £ |
| FIXED ASSETS | | | |
| Tangible assets | 10 | 101,193 | 677,252 |
| Investments | 11 | 1,100 | 1,100 |
| | | <u>102,293</u> | <u>678,352</u> |
| CURRENT ASSETS | | | |
| Stocks | 12 | 135,636 | 138,583 |
| Debtors | 13 | 686,074 | 398,260 |
| Cash in hand | | 250 | 250 |
| | | <u>821,960</u> | <u>537,093</u> |
| CREDITORS: amounts falling due within one year | 14 | (288,342) | (533,627) |
| NET CURRENT ASSETS | | <u>533,618</u> | <u>3,466</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>635,911</u> | <u>681,818</u> |
| ACCRUALS AND DEFERRED INCOME | | (124,880) | (142,227) |
| NET ASSETS | | <u><u>511,031</u></u> | <u><u>539,591</u></u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 15 | 50,000 | 50,000 |
| Revaluation reserve | 16 | - | 362,497 |
| Profit and loss account | 16 | 461,031 | 127,094 |
| SHAREHOLDERS' FUNDS | 17 | <u><u>511,031</u></u> | <u><u>539,591</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

 28/2/12

N I Tyrrell
Director

The notes on pages 9 to 20 form part of these financial statements

ABS TECHNOLOGY PLC

**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2011**

| | | 11 months ended 31 August 2011 £ | Year ended 30 September 2010 £ |
|---|------|---|---|
| | Note | | |
| Net cash flow from operating activities | 19 | (255,407) | 256,558 |
| Returns on investments and servicing of finance | 20 | (5,541) | (1,653) |
| Taxation | | (9,294) | (21,211) |
| Capital expenditure and financial investment | 20 | 514,338 | (10,097) |
| Acquisitions and disposals | 20 | - | (100) |
| Equity dividends paid | | (48,000) | (199,692) |
| CASH INFLOW BEFORE FINANCING | | 196,096 | 23,805 |
| Financing | 20 | (13,713) | (17,927) |
| INCREASE IN CASH IN THE PERIOD | | 182,383 | 5,878 |

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE PERIOD ENDED 31 AUGUST 2011**

| | 11 months ended 31 August 2011 £ | Year ended 30 September 2010 £ |
|--|---|---|
| Increase in cash in the period | 182,383 | 5,878 |
| Cash outflow from decrease in debt and lease financing | 13,713 | 17,927 |
| MOVEMENT IN NET DEBT IN THE PERIOD | 196,096 | 23,805 |
| Net debt at 1 October 2010 | (197,371) | (221,176) |
| NET DEBT AT 31 AUGUST 2011 | (1,275) | (197,371) |

The notes on pages 9 to 20 form part of these financial statements

ABS TECHNOLOGY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2011

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings and in accordance with applicable accounting standards

1.2 Consolidation

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of computer equipment goods and services supplied during the period, exclusive of Value Added Tax and trade discounts. The proportion of invoices that relate to later periods are carried forward as deferred income within creditors.

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.5 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 or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | | |
|-----------------------|---|---|
| Freehold property | - | Over 11.4 years |
| Property improvements | - | 10% reducing balance basis |
| Motor vehicles | - | 25% reducing balance basis |
| Office equipment | - | 25% reducing balance basis |
| Equipment on hire | - | 4 years straight line basis and 3-5 years straight line basis |

1.6 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value.

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the Profit and loss account.

ABS TECHNOLOGY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2011

1. ACCOUNTING POLICIES (continued)

1.7 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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 a constant periodic rate of charge on the net obligation outstanding in each period.

1.8 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.9 Stocks

Stocks 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.

2. TURNOVER

The whole of the turnover is attributable to the one principal activity of the company.

All turnover arose within the United Kingdom.

ABS TECHNOLOGY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2011

3 OTHER OPERATING INCOME

| | 11 months ended 31 August 2011 £ | Year ended 30 September 2010 £ |
|----------------------|---|---|
| Net rents receivable | 7,150 | 7,600 |

4. OPERATING PROFIT

The operating profit is stated after charging

| | 11 months ended 31 August 2011 £ | Year ended 30 September 2010 £ |
|---------------------------------------|---|---|
| Depreciation of tangible fixed assets | | |
| - owned by the company | 62,049 | 71,582 |
| - held under finance leases | - | 8,667 |
| Operating lease rentals | | |
| - other operating leases | 3,444 | 4,594 |

5. AUDITORS' REMUNERATION

| | 11 months ended 31 August 2011 £ | Year ended 30 September 2010 £ |
|--|---|---|
| Fees payable to the company's auditor for the audit of the company's annual accounts | 4,000 | 4,700 |

ABS TECHNOLOGY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2011

6. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

| | 11 months ended 31 August 2011 £ | Year ended 30 September 2010 £ |
|-----------------------|---|---|
| Wages and salaries | 704,991 | 745,740 |
| Social security costs | 68,491 | 71,687 |
| Other pension costs | 11,562 | 14,882 |
| | <u>785,044</u> | <u>832,309</u> |

The average monthly number of employees, including the directors, during the period was as follows

| | 11 months ended 31 August 2011 No | Year ended 30 September 2010 No |
|----------------------|--|--|
| Technical staff | 14 | 14 |
| Administrative staff | 7 | 7 |
| Directors | 4 | 4 |
| Sales staff | 3 | 4 |
| | <u>28</u> | <u>29</u> |

7. DIRECTORS' EMOLUMENTS

| | 11 months ended 31 August 2011 £ | Year ended 30 September 2010 £ |
|---|---|---|
| Emoluments | <u>136,088</u> | <u>132,187</u> |
| Company pension contributions to defined contribution pension schemes | <u>1,974</u> | <u>3,980</u> |

During the period retirement benefits were accruing to 1 director (2010 - 2) in respect of defined contribution pension schemes

ABS TECHNOLOGY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2011

8. INTEREST PAYABLE

| | 11 months ended 31 August 2011 £ | Year ended 30 September 2010 £ |
|---|---|---|
| On bank loans and overdrafts | 5,258 | 3,539 |
| On finance leases and hire purchase contracts | 393 | 1,716 |
| | <u>5,651</u> | <u>5,255</u> |

9. TAXATION

| | 11 months ended 31 August 2011 £ | Year ended 30 September 2010 £ |
|---|---|---|
| Analysis of tax charge in the period/year | | |
| UK corporation tax charge on profit for the period/year | 37,601 | 10,990 |
| Adjustments in respect of prior periods | (1,696) | (4,320) |
| | <u>35,905</u> | <u>6,670</u> |
| Tax on profit on ordinary activities | | |

Factors affecting tax charge for the period/year

The tax assessed for the period/year is lower than (2010 - lower than) the standard rate of corporation tax in the UK of 28% (2010 - 21%). The differences are explained below

| | 11 months ended 31 August 2011 £ | Year ended 30 September 2010 £ |
|--|---|---|
| Profit on ordinary activities before tax | <u>55,345</u> | <u>3,646</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2010 - 21%) | 12,234 | 766 |
| Effects of | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | 962 | 2,508 |
| Capital allowances for period/year in excess of depreciation | 7,322 | 7,716 |
| Adjustments to tax charge in respect of prior periods | (1,696) | (4,320) |
| Capital gains | 17,083 | - |
| | <u>35,905</u> | <u>6,670</u> |
| Current tax charge for the period/year (see note above) | | |

ABS TECHNOLOGY PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2011**

10. TANGIBLE FIXED ASSETS

| | Freehold property £ | Property Improvements £ | Motor Vehicles £ | Office Equipment £ |
|--------------------------|---------------------------|-------------------------------|---------------------------|--------------------------|
| Cost or valuation | | | | |
| At 1 October 2010 | 650,000 | 49,164 | 181,968 | 89,533 |
| Additions | - | 2,025 | - | 574 |
| Disposals | (650,000) | - | (34,158) | - |
| At 31 August 2011 | - | 51,189 | 147,810 | 90,107 |
| Depreciation | | | | |
| At 1 October 2010 | 112,280 | 28,606 | 114,727 | 65,533 |
| Charge for the period | 25,731 | 2,002 | 15,863 | 5,595 |
| On disposals | (138,011) | - | (25,933) | - |
| At 31 August 2011 | - | 30,608 | 104,657 | 71,128 |
| Net book value | | | | |
| At 31 August 2011 | - | 20,581 | 43,153 | 18,979 |
| At 30 September 2010 | 537,720 | 20,558 | 67,241 | 24,000 |
| | | | Equipment On Hire £ | Total £ |
| Cost or valuation | | | | |
| At 1 October 2010 | | | 83,837 | 1,054,502 |
| Additions | | | 5,690 | 8,289 |
| Disposals | | | (16,165) | (700,323) |
| At 31 August 2011 | | | 73,362 | 362,468 |
| Depreciation | | | | |
| At 1 October 2010 | | | 56,104 | 377,250 |
| Charge for the period | | | 12,858 | 62,049 |
| On disposals | | | (14,080) | (178,024) |
| At 31 August 2011 | | | 54,882 | 261,275 |
| Net book value | | | | |
| At 31 August 2011 | | | 18,480 | 101,193 |
| At 30 September 2010 | | | 27,733 | 677,252 |

ABS TECHNOLOGY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2011

10. TANGIBLE FIXED ASSETS (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

| | 31 August 2011 £ | 30 September 2010 £ |
|----------------|------------------------|---------------------------|
| Motor vehicles | - | 25,999 |

11. FIXED ASSET INVESTMENTS

| | Investments in Subsidiary Companies £ |
|--------------------------------------|--|
| Cost or valuation | |
| At 1 October 2010 and 31 August 2011 | 1,100 |
| Net book value | |
| At 31 August 2011 | 1,100 |
| At 30 September 2010 | 1,100 |

Subsidiary undertakings

The following were subsidiary undertakings of the company

| Name | Class of shares | Holding |
|----------------------------------|-----------------|---------|
| Visual Capital Limited | Ordinary | 100 % |
| Cranleigh Communications Limited | | 100 % |

The aggregate of the share capital and reserves as at 31 August 2011 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

| Name | Aggregate of share capital and reserves £ | Profit/(loss) £ |
|----------------------------------|--|--------------------|
| Visual Capital Limited | 100 | - |
| Cranleigh Communications Limited | 1,000 | - |

The above subsidiaries was registered in England and Wales. The companies were dormant throughout the year and made neither a profit nor loss.

ABS TECHNOLOGY PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2011**

12. STOCKS

| | 31 August 2011 £ | 30 September 2010 £ |
|---------------|------------------------|---------------------------|
| Raw materials | 135,636 | 138,583 |
| | <u>135,636</u> | <u>138,583</u> |

13. DEBTORS

| | 31 August 2011 £ | 30 September 2010 £ |
|------------------------------------|------------------------|---------------------------|
| Trade debtors | 230,713 | 309,609 |
| Amounts owed by group undertakings | 356,988 | - |
| Director's loan account | 26,817 | 2,400 |
| Other debtors | 1,550 | 1,390 |
| Prepayments and accrued income | 70,006 | 84,861 |
| | <u>686,074</u> | <u>398,260</u> |

**14 CREDITORS:
Amounts falling due within one year**

| | 31 August 2011 £ | 30 September 2010 £ |
|--|------------------------|---------------------------|
| Bank loans and overdrafts | 1,525 | 183,908 |
| Net obligations under finance leases and hire purchase contracts | - | 13,713 |
| Trade creditors | 168,633 | 224,764 |
| Amounts owed to group undertakings | 1,100 | 1,100 |
| Corporation tax | 37,601 | 10,990 |
| Social security and other taxes | 49,440 | 62,812 |
| Other creditors | 1,241 | 1,740 |
| Accruals and deferred income | 28,802 | 34,600 |
| | <u>288,342</u> | <u>533,627</u> |

Included within creditors falling due in one year are secured liabilities. Bank loans and overdrafts of £1,525 (2010 - £183,908) are secured on the freehold property. Hire purchase contracts of £Nil (2010 - £13,713) are secured on the assets to which they relate.

15 SHARE CAPITAL

| | 31 August 2011 £ | 30 September 2010 £ |
|------------------------------------|------------------------|---------------------------|
| Allotted, called up and fully paid | | |
| 50,000 Ordinary shares of £1 each | 50,000 | 50,000 |
| | <u>50,000</u> | <u>50,000</u> |

ABS TECHNOLOGY PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2011**

16. RESERVES

| | Revaluation reserve £ | Profit and loss account £ |
|--|-----------------------------|---------------------------------|
| At 1 October 2010 | 362,497 | 127,094 |
| Profit for the period | | 19,440 |
| Dividends Equity capital | | (48,000) |
| Transfer between revaluation reserve and profit and loss account | (362,497) | 362,497 |
| | <u>-</u> | <u>461,031</u> |
| At 31 August 2011 | <u>-</u> | <u>461,031</u> |

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

| | 31 August 2011 £ | 30 September 2010 £ |
|-----------------------------------|------------------------|---------------------------|
| Opening shareholders' funds | 539,591 | 742,307 |
| Profit/(loss) for the period/year | 19,440 | (3,024) |
| Dividends (Note 18) | (48,000) | (199,692) |
| | <u>511,031</u> | <u>539,591</u> |
| Closing shareholders' funds | <u>511,031</u> | <u>539,591</u> |

18. DIVIDENDS

| | 11 months ended 31 August 2011 £ | Year ended 30 September 2010 £ |
|--|---|---|
| Ordinary | | |
| Dividends paid in the year other than those for which a liability existed at the preceding balance sheet date | - | 199,692 |
| Balance of dividends paid on equity capital | 48,000 | - |
| | <u>48,000</u> | <u>199,692</u> |

ABS TECHNOLOGY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2011

19. NET CASH FLOW FROM OPERATING ACTIVITIES

| | 11 months ended 31 August 2011 £ | Year ended 30 September 2010 £ |
|--|---|---|
| Operating profit | 60,886 | 5,299 |
| Depreciation of tangible fixed assets | 62,049 | 80,250 |
| (Profit)/loss on disposal of tangible fixed assets | (327) | 8,113 |
| Decrease in stocks | 2,947 | 11,716 |
| Decrease in debtors | 69,174 | 76,043 |
| Increase in amounts owed by group undertakings | (356,988) | - |
| (Decrease)/increase in creditors | (93,148) | 75,037 |
| Increase in amounts owed to group undertakings | - | 100 |
| Net cash (outflow)/inflow from operating activities | (255,407) | 256,558 |

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

| | 11 months ended 31 August 2011 £ | Year ended 30 September 2010 £ |
|--|---|---|
| Returns on investments and servicing of finance | | |
| Interest received | 110 | 3,602 |
| Interest paid | (5,258) | (3,539) |
| Hire purchase interest | (393) | (1,716) |
| Net cash outflow from returns on investments and servicing of finance | (5,541) | (1,653) |
| | | |
| | 11 months ended 31 August 2011 £ | Year ended 30 September 2010 £ |
| Capital expenditure and financial investment | | |
| Purchase of tangible fixed assets | (8,289) | (21,300) |
| Sale of tangible fixed assets | 522,627 | 11,203 |
| Net cash inflow/(outflow) from capital expenditure | 514,338 | (10,097) |
| | | |
| | 11 months ended 31 August 2011 £ | Year ended 30 September 2010 £ |
| Acquisitions and disposals | | |
| Purchase of fixed asset investments | - | (100) |

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20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

| | 11 months ended 31 August 2011 £ | Year ended 30 September 2010 £ |
|-----------------------------|---|---|
| Financing | | |
| Repayment of finance leases | (13,713) | (17,927) |

21. ANALYSIS OF CHANGES IN NET DEBT

| | 1 October 2010 £ | Cash flow £ | Other non-cash changes £ | 31 August 2011 £ |
|---------------------------|------------------------|----------------|-----------------------------------|------------------------|
| Cash at bank and in hand | 250 | - | - | 250 |
| Bank overdraft | (183,908) | 182,383 | - | (1,525) |
| | <u>(183,658)</u> | <u>182,383</u> | <u>-</u> | <u>(1,275)</u> |
| Debt | | | | |
| Debts due within one year | (13,713) | 13,713 | - | - |
| | <u>(197,371)</u> | <u>196,096</u> | <u>-</u> | <u>(1,275)</u> |

22. DIRECTORS' BENEFITS: ADVANCES, CREDIT AND GUARANTEES

At the beginning of the year N I Tyrrell, a director, owed £2,400 to the company. During the year advances totalling £24,417 were made to the director. No advances over £10,000 were made. Repayments by the director during the year totalled £Nil. The maximum amount overdrawn during the year was £26,817. No interest was charged to the director during the year. At the year end the balance owed by N I Tyrrell was £26,817.

23. RELATED PARTY TRANSACTIONS

During the year £48,000 dividends were paid to N I Tyrrell and M R Tyrrell, directors of the company (2010 - £199,692).

On 30 August 2011 the company sold the freehold premises to N I Tyrrell and M R Tyrrell for £511,989.

At the balance sheet date Apogee Corporation Limited, the parent company, owed £356,989 to ABS Technology plc.

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24. CONTROLLING PARTY

The company was under the control of N I Tyrrell by virtue of being the the majority shareholder until 31 August 2011

At the balance sheet date the company was sold to Apogee Corporation Limited, at which point the the company was under the control of Apogee Corporation Limited by virtue of being the sole shareholder

The ultimate controlling party is Apogee Group Limited, a company incorporated in England and Wales