

MICROZONE LIMITED
ABBREVIATED ACCOUNTS
FOR THE PERIOD ENDED 31 MAY 2004



MICROZONE LIMITED

CONTENTS

	Page
Abbreviated balance sheet	1 - 2
Notes to the abbreviated accounts	3 - 5

MICROZONE LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 MAY 2004

		2004		2003 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	2		37,083		43,645
Current assets					
Stocks		32,069		24,836	
Debtors		25,743		43,300	
Cash at bank and in hand		57,761		28,008	
		<u>115,573</u>		<u>96,144</u>	
Creditors: amounts falling due within one year		<u>(48,895)</u>		<u>(28,814)</u>	
Net current assets			66,678		67,330
Total assets less current liabilities			103,761		110,975
Provisions for liabilities and charges			<u>(4,308)</u>		<u>(5,310)</u>
			<u>99,453</u>		<u>105,665</u>
Capital and reserves					
Called up share capital	3		12,750		12,750
Profit and loss account			86,703		92,915
Shareholders' funds - equity interests			<u>99,453</u>		<u>105,665</u>

In preparing these financial statements:

- The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- The directors acknowledge their responsibilities for:
 - ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

MICROZONE LIMITED

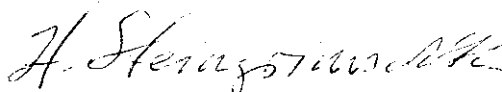
ABBREVIATED BALANCE SHEET (CONTINUED) **AS AT 31 MAY 2004**

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

The financial statements were approved by the Board on 7 September 2004



D J Gillard
Director



H Steingrimsdottir
Director

MICROZONE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 31 MAY 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	20% on a straight line basis
Fixtures, fittings & equipment	20% on a straight line basis

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

MICROZONE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 MAY 2004

1 Accounting policies

(continued)

1.6 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future.

The adoption of the standard requires a prior period adjustment to be made to recognise the liability which existed at the start of the financial year and which was not recognised under the old accounting policy. This has increased the deferred tax liability and reduced the retained profits by £5,310.

1.7 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.8 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

2 Fixed assets

	Tangible assets £
Cost	
At 1 June 2003	67,675
Additions	5,467
	<hr/>
At 31 May 2004	73,142
	<hr/>
Depreciation	
At 1 June 2003	24,030
Charge for the period	12,029
	<hr/>
At 31 May 2004	36,059
	<hr/>
Net book value	
At 31 May 2004	37,083
	<hr/>
At 31 May 2003	43,645
	<hr/>

MICROZONE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 MAY 2004

3	Share capital	2004 £	2003 £
	Authorised		
	100,000 £1 each of £1 each	<u>100,000</u>	<u>100,000</u>
	Allotted, called up and fully paid		
	12,750 £1 each of £1 each	<u>12,750</u>	<u>12,750</u>