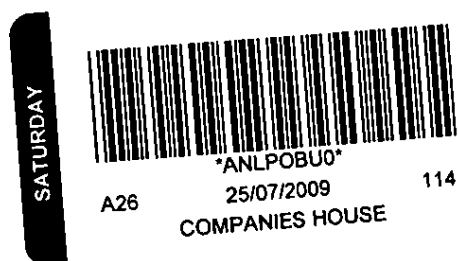


**SMC Corporation Limited**  
**UNAUDITED ABBREVIATED ACCOUNTS**  
for the year ended  
31 December 2008



**SMC Corporation Limited**  
**UNAUDITED ABBREVIATED BALANCE SHEET**  
**31 December 2008**

	Notes	2008 £	2007 £
<b>FIXED ASSETS</b>	<b>1</b>		
Intangible assets		110,890	103,116
Tangible assets		15,216	8,545
		<u>126,106</u>	<u>111,661</u>
<b>CURRENT ASSETS</b>			
Stocks		486,782	378,575
Debtors		84,950	257,395
Cash at bank and in hand		79,893	24,229
		<u>651,625</u>	<u>660,199</u>
CREDITORS amounts falling due within one year		546,369	740,093
NET CURRENT ASSETS/(LIABILITIES)		<u>105,256</u>	<u>(79,894)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		231,362	31,767
CREDITORS amounts falling due after more than one year		175,000	-
		<u>56,362</u>	<u>31,767</u>
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	2	1	1
Profit and loss account		56,361	31,766
SHAREHOLDERS' FUNDS		<u>56,362</u>	<u>31,767</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.

The abbreviated accounts on pages 1 to 4 were approved by the directors and authorised for issue on 2/7/09 and are signed on their behalf by:

  
N Stentiford  
Director

# SMC Corporation Limited

## UNAUDITED ACCOUNTING POLICIES

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### 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 (effective January 2007).

### TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services in the ordinary nature of the business. Turnover is shown net of Value Added Tax, of goods sold and services amounts invoiced during the year, exclusive of Value Added Tax.

### INTANGIBLE FIXED ASSETS

Patents and trademarks are amortised at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, commencing when the asset is first brought into use.

The useful life over which patents are amortised ends on the expiry date of the grant of the patent. Patent right are granted for a maximum 20 year period, renewable annually after five years from first grant.

### 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:

Plant & Machinery	- 33.3% straight line
Equipment	- 33.3% straight line

### STOCKS

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

### 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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

# SMC Corporation Limited

## UNAUDITED ACCOUNTING POLICIES

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Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### 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.

**SMC Corporation Limited**  
**UNAUDITED NOTES TO THE ABBREVIATED ACCOUNTS**  
**for the year ended 31 December 2008**

**1 FIXED ASSETS**

	Intangible Assets £	Tangible Assets £	Total £
Cost			
At 1 January 2008	103,116	73,110	176,226
Additions	7,774	12,018	19,792
At 31 December 2008	<u>110,890</u>	<u>85,128</u>	<u>196,018</u>
Depreciation			
At 1 January 2008	—	64,565	64,565
Charge for year	—	5,347	5,347
At 31 December 2008	<u>—</u>	<u>69,912</u>	<u>69,912</u>
Net book value			
At 31 December 2008	<u>110,890</u>	<u>15,216</u>	<u>126,106</u>
At 31 December 2007	<u>103,116</u>	<u>8,545</u>	<u>111,661</u>

**2 SHARE CAPITAL**

	2008 £	2007 £
Authorised:		
3,300 'A' Ordinary shares shares of £0.01 each	33	33
6,700 'B' Ordinary shares shares of £0.01 each	67	67
	<u>100</u>	<u>100</u>
	2008 £	2007 £
Allotted, called up and fully paid:		
33 'A' Ordinary shares shares of £0.01 each	—	—
67 'B' Ordinary shares shares of £0.01 each	1	1
	<u>1</u>	<u>1</u>