

**PROVEN ENERGY LIMITED**  
**UNAUDITED ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**

**Company Registration Number SC071400**



**Tenon Limited**  
Accountants and Business Advisers  
2 Blythswood Square  
Glasgow  
G2 4AD

**PROVEN ENERGY LIMITED**  
**ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2005**

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**PROVEN ENERGY LIMITED**  
**ABBREVIATED BALANCE SHEET**  
**31 DECEMBER 2005**

		2005		2004 (restated)	
	Note	£	£	£	£
<b>Fixed assets</b>	2				
Intangible assets			6,669		1,498
Tangible assets			474,800		419,410
			<u>481,469</u>		<u>420,908</u>
<b>Current assets</b>					
Stocks		191,161		171,366	
Debtors		310,728		299,691	
Cash at bank and in hand		1,973		47,542	
		<u>503,862</u>		<u>518,599</u>	
<b>Creditors: Amounts falling due within one year</b>	3	(605,407)		(509,658)	
<b>Net current (liabilities)/assets</b>			(101,545)		8,941
<b>Total assets less current liabilities</b>			379,924		429,849
<b>Creditors: Amounts falling due after more than one year</b>	4		(218,505)		(253,019)
<b>Provisions for liabilities</b>			(7,528)		(5,806)
<b>Government grants</b>	5		(26,956)		(28,155)
			<u>126,935</u>		<u>142,869</u>

The Balance sheet continues on the following page  
The notes on page 1 form part of these abbreviated accounts

**PROVEN ENERGY LIMITED**  
**ABBREVIATED BALANCE SHEET** *(continued)*

**31 DECEMBER 2005**

		2005	2004 (restated)
	Note	£	£
<b>Capital and reserves</b>			
Called up share capital	7	44,444	44,444
Profit and loss account		82,491	98,425
<b>Shareholders' funds</b>		<u>126,935</u>	<u>142,869</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

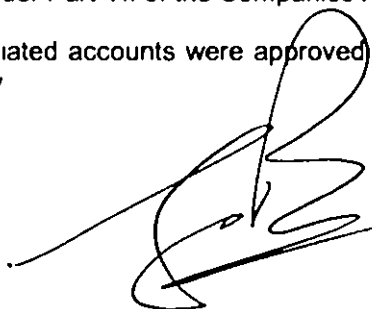
The directors acknowledge their responsibilities for

- (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

These abbreviated accounts were approved by the directors on 10 October 2006 and are signed on their behalf by

G Proven



The notes on page 2 form part of these abbreviated accounts

**PROVEN ENERGY LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2005**

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**1 ACCOUNTING POLICIES**

**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 2005)

**Changes in accounting policies**

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards

Financial Reporting Standard for Smaller Entities (effective January 2005)

The impact of the adoption of FRSE (effective January 2005) in the year is that the revised FRSE follows FRS 25 approach

The FRS 25 approach has resulted in a change in accounting policy in respect of 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.

This change in accounting policy has resulted in a prior year adjustment for the company. £50,000 of share capital has been reclassified as liabilities included in creditors' amounts falling due after more than one year.

The revised FRSE follows the FRS 25 approach in that dividends on preference shares, classed as liabilities, should now be recorded as expenses in the profit and loss account as part of 'Interest Payable and Similar Charges'. Details of the changes:

(a) this has resulted in a prior year adjustment of £2,000 to reclassify dividends paid and proposed in 2004.

(b) this has an impact on the current year as £2,000 dividends paid and proposed in the year has been taken to the profit and loss account.

**Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

**Turnover**

The turnover shown in the profit and loss account represents amounts receivable during the year, exclusive of Value Added Tax.

**Amortisation**

Amortisation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the estimated useful economic life of that asset as follows:

Patents	10 - 20 years
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**PROVEN ENERGY LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2005**

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**1 ACCOUNTING POLICIES** *(continued)*

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows

Land & buildings	2.5% on cost
Plant & machinery	10% on reducing balance
Fixtures & fittings	10% reducing balance and 50% on cost
Motor vehicles	25% on reducing balance

**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 the purchase price of raw materials

**Work in progress**

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

**Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

**Finance lease agreements**

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is capitalised in the balance sheet as a tangible fixed asset at its fair value and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

**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.

**PROVEN ENERGY LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2005**

**1 ACCOUNTING POLICIES** *(continued)*

**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 or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to 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, 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

**Deferred government grants**

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate

Government grants received in respect of revenue items are recognised in the profit and loss account to match the grant with the expenditure to which it relates

**2 FIXED ASSETS**

	<b>Intangible Assets £</b>	<b>Tangible Assets £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2005	30,446	517,502	547,948
Additions	5,430	89,726	95,156
Disposals	—	(9,137)	(9,137)
At 31 December 2005	<u>35,876</u>	<u>598,091</u>	<u>633,967</u>
<b>Depreciation</b>			
At 1 January 2005	28,948	98,092	127,040
Charge for year	259	31,190	31,449
On disposals	—	(5,991)	(5,991)
At 31 December 2005	<u>29,207</u>	<u>123,291</u>	<u>152,498</u>
<b>Net book value</b>			
At 31 December 2005	<u>6,669</u>	<u>474,800</u>	<u>481,469</u>
At 31 December 2004	<u>1,498</u>	<u>419,410</u>	<u>420,908</u>

**PROVEN ENERGY LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2005**

**3. CREDITORS Amounts falling due within one year**

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

	2005	2004 (restated)
	£	£
Bank loans and overdrafts	23,314	23,314
Hire purchase agreements	15,721	7,787
	<u>39,035</u>	<u>31,101</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

	2005	2004 (restated)
	£	£
Bank loans and overdrafts	124,681	136,771
Hire purchase agreements	17,713	14,152
	<u>142,394</u>	<u>150,923</u>

**5. GOVERNMENT GRANTS**

	2005	2004 (restated)
	£	£
Received and receivable	75,867	60,000
Amortisation	(48,911)	(31,845)
	<u>26,956</u>	<u>28,155</u>

**6 TRANSACTIONS WITH THE DIRECTORS**

During the year a loan subsisted with Gordon Proven, a director of the company. The balance owed to the company at 31 December 2005 was £415 (2004 £(2,070)). The maximum balance outstanding during the year was £507. The loan has been repaid.

During the year a loan subsisted with Susanne Proven, a director of the company. The balance owed to the company at 31 December 2005 was £19 (2004 £(1,248)). The maximum balance outstanding during the year was £19. The loan has been repaid.



**PROVEN ENERGY LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2005**

**7 SHARE CAPITAL**

**Authorised share capital**

	<b>2005</b>	<b>2004 (restated)</b>
	<b>£</b>	<b>£</b>
195,556 Ordinary shares of £1 each	195,556	195,556
4,444 Cumulative participating preferred ordinary shares of £1 each	4,444	4,444
50,000 4% Cumulative, redeemable preference shares of £1 each	50,000	50,000
	<u>250,000</u>	<u>250,000</u>

**Allotted, called up and fully paid**

	<b>2005</b>		<b>2004</b>	
	<b>No</b>	<b>£</b>	<b>No</b>	<b>£</b>
Ordinary shares of £1 each	40,000	40,000	40,000	40,000
Cumulative participating preferred ordinary shares of £1 each	4,444	4,444	4,444	4,444
4% Cumulative, redeemable preference shares of £1 each	50,000	50,000	50,000	50,000
	<u>94,444</u>	<u>94,444</u>	<u>94,444</u>	<u>94,444</u>

The holders of the cumulative participating preferred ordinary shares carry the right to a 7% participating dividend in priority to ordinary shareholders, have priority over ordinary shareholders in the event of a liquidation and have one vote per share