Registration number 898153

Sapphire Research & Electronics Limited

Abbreviated accounts

for the year ended 31st March 2006

Sapphire Research & Electronics Limited

Contents

Sapphire Research & Electronics Limited

Abbreviated balance sheet
as at 31st March 2006

	Notes	2006 £	2006 £	2005 £	2005 £
Fixed assets					
Tangible assets	2		8,996		10,530
Investments	2		153		112,503
			9,149		123,033
Current assets					
Stocks		22,211		22,046	
Debtors		168,662		227,100	
Cash at bank and in hand		627,927		494,517	
		818,800		743,663	
Creditors: amounts falling due within one year		(115,479)		(259,553)	
Net current assets			703,321		484,110
Total assets less current liabilities			712,470		607,143
Provisions for liabilities			164		41
Net assets			712,634		607,184
Capital and reserves					
Called up share capital	3		500		500
Investment revaluation reserve			-		8,841
Profit and loss account			712,134		597,843
Shareholders' funds			712,634		607,184

The director's statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 3 to 5 form an integral part of these financial statements.

Sapphire Research & Electronics Limited

Abbreviated balance sheet (continued)

Director's statements required by Section 249B(4)
for the year ended 31st March 2006

In approving these abbreviated accounts as director of the company I hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 ;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31st March 2006 and

(c) that I acknowledge my responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) 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 year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective January 2005) relating to small companies.

The abbreviated accounts were approved by the Board on 9th August 2006 and signed on its behalf by

R V Parker
Director

Sapphire Research & Electronics Limited

Notes to the abbreviated financial statements
for the year ended 31st March 2006

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

1.2. Changes in accounting policy

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

-FRSSE 2005;

FRSSE 2005

The adoption of FRSSE 2005 (effective January 2005) has resulted in a change in the presentation of equity dividends. Equity dividends included in the Financial Statments in accordance with FRS 21 are shown as a reserve movement, not a profit and loss item in the profit and loss account.

This change in accounting policy has resulted in a prior year adjustment for the company. The change in accounting policy has resulted in a net increase in retained profit for the year ended 31st March 2005 of £29,612. For the year ended 31st March 2006, the change in accounting policy has resulted in a net increase in retained profit for the year of £24,000. The change in accounting policy has had no effect on the balance sheet in either year.

1.3. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year and derives from the provision of goods falling within the company's ordinary activities.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Leasehold properties	-	Straight line over the life of the lease
Plant and machinery	-	15% Straight Line
Fixtures, fittings and equipment	-	25% Straight Line
Motor vehicles	-	25% Reducing Balance

1.5. Stock

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

1.6. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year in accordance with SSAP 24.

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1.7. 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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.8. Financial instruments

Financial instruments are classified and accounted for, according to the substance of contractual arrangement, as either financial assets, financial liabilities or equity instruments, as defined in FRS 25, Financial Instruments: Disclosure and Presentation. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Sapphire Research & Electronics Limited

Notes to the abbreviated financial statements for the year ended 31st March 2006

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2. Fixed assets

	Tangible fixed assets £
Cost	
At 1st April 2005 and	
At 31st March 2006	34,394
Depreciation	
At 1st April 2005	23,864
Charge for year	1,534
At 31st March 2006	25,398
Net book values	
At 31st March 2006	8,996
At 31st March 2005	10,530

3. Share capital

	2006 £	2005 £
Authorised		
500 Ordinary shares of 1 each	500	500
Allotted, called up and fully paid		
500 Ordinary shares of 1 each	500	500
Equity Shares		
500 Ordinary shares of 1 each	500	500

4. Transactions with director

During the financial year, Mr R Parker purchased the entire Investment holding of the company at the market value of £111,433.