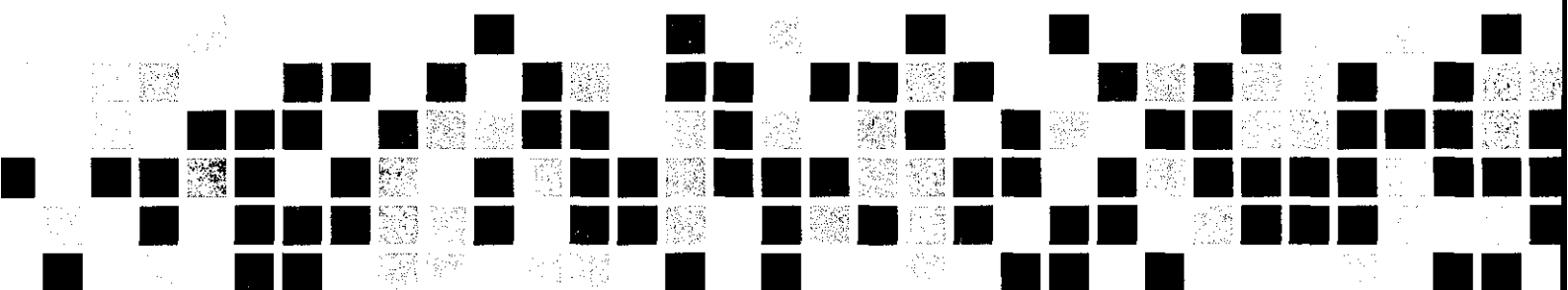


CASTLET LTD
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
30 APRIL 2006



STREETS
CHARTERED ACCOUNTANTS



CASTLET LTD
ABBREVIATED ACCOUNTS
YEAR ENDED 30 APRIL 2006

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CASTLET LTD

INDEPENDENT AUDITOR'S REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5, together with the financial statements of the company for the year ended 30 April 2006 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditor's 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 for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.



Tower House
Lucy Tower Street
Lincoln
LN1 1XW

STREETS AUDIT LLP
Chartered Accountants
& Registered Auditors

17 October 2006

CASTLET LTD

ABBREVIATED BALANCE SHEET

30 APRIL 2006

	Note	2006 £	2005 £
FIXED ASSETS	2		
Intangible assets		1	1
Tangible assets		337,113	311,987
Investments		350,000	-
		<u>687,114</u>	<u>311,988</u>
CURRENT ASSETS			
Stocks		374,658	666,539
Debtors		817,231	705,879
Cash at bank and in hand		891,135	563,274
		<u>2,083,024</u>	<u>1,935,692</u>
CREDITORS: Amounts falling due within one year		<u>696,493</u>	<u>558,472</u>
NET CURRENT ASSETS		<u>1,386,531</u>	<u>1,377,220</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,073,645</u>	<u>1,689,208</u>
PROVISIONS FOR LIABILITIES AND CHARGES		<u>7,992</u>	<u>4,437</u>
		<u>2,065,653</u>	<u>1,684,771</u>
CAPITAL AND RESERVES			
Called-up equity share capital	3	242,869	242,869
Share premium account		570	570
Profit and loss account		1,822,214	1,441,332
SHAREHOLDERS' FUNDS		<u>2,065,653</u>	<u>1,684,771</u>

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 17 October 2006 and are signed on their behalf by:

Bryan Carr

B CARR

The notes on pages 3 to 5 form part of these abbreviated accounts.

CASTLET LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 APRIL 2006

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).

Group accounts have not been prepared as the group is medium sized. The financial statements only relate to the parent undertaking and have been prepared in accordance with applicable accounting standards. These accounts present information about the company as an individual undertaking and not about its group.

Turnover

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

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

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:

Leasehold Property	- 2% straight line
Computer equipment	- 10% to 33% straight line
Plant & Machinery	- 15% 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.

CASTLET LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 APRIL 2006

1. ACCOUNTING POLICIES *(continued)*

Warranty provision

In accordance with the Financial Reporting Standard 12, Provisions and Contingencies, which defines the bond guarantees as a contingent liability rather than a provision and therefore states that they should not be recognised in the accounts but that the company should disclose their existence.

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 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.

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.

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.

CASTLET LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 APRIL 2006

2. FIXED ASSETS

	Intangible Assets £	Tangible Assets £	Investments £	Total £
COST				
At 1 May 2005	1	456,640	–	456,641
Additions	–	53,919	465,964	519,883
At 30 April 2006	<u>1</u>	<u>510,559</u>	<u>465,964</u>	<u>976,524</u>
DEPRECIATION AND AMOUNTS WRITTEN OFF				
At 1 May 2005	–	144,653	–	144,653
Charge for year	–	28,793	115,964	144,757
At 30 April 2006	<u>–</u>	<u>173,446</u>	<u>115,964</u>	<u>289,410</u>
NET BOOK VALUE				
At 30 April 2006	<u>1</u>	<u>337,113</u>	<u>350,000</u>	<u>687,114</u>
At 30 April 2005	<u>1</u>	<u>311,987</u>	<u>–</u>	<u>311,988</u>

During the year the company acquired 100% of the ordinary share capital of Shanghai Resistor Factory Limited, a company registered in China. The acquisition has been treated as an investment in group companies, with the purchase price being capitalised during the year. A provision has been made to reduce the net book value to the directors estimate of the value of the investment as at 30 April 2006.

3. SHARE CAPITAL

Authorised share capital:

	2006 £	2005 £
250,000 Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>

Allotted, called up and fully paid:

	2006 No	£	2005 No	£
Ordinary shares of £1 each	<u>242,869</u>	<u>242,869</u>	<u>242,869</u>	<u>242,869</u>