

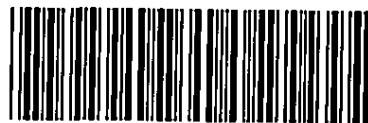
Registered number
03844095

PRODUCT ASSESSMENT AND RELIABILITY CENTRE LTD

Unaudited Report and Accounts

31 December 2006

TUESDAY



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PRODUCT ASSESSMENT AND RELIABILITY CENTRE LTD

Directors' Report

The directors present their report and accounts for the year ended 31 December 2006

Principal activities

The company's principal activity during the year was the provision of accelerated product life testing services

Directors

The directors who served during the year and their interests in the ordinary shares of the company were as follows

	Ordinary Shares of £1 each	
	31 12 06	31 12 05
E Abretti (Resigned 15 3 06)	-	-
D Avery	-	-
R Brinkley (Resigned 13 2 07)	-	-
A Dykes (Chairman)	-	-
C Fearnley (Resigned 15 2 07)	-	-
A Lobato	3,651	-

Responsibilities of the Directors

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

Select and consistently apply appropriate accounting policies

Make reasonable and prudent judgements and estimates

Follow appropriate and applicable accounting standards

Prepare the financial statements on the going concern basis unless it is inappropriate to presume the company will continue in business

The directors are responsible for keeping proper accounting records that with reasonable accuracy disclose the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small company special provisions

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 27 October 2007



A Dykes
Director

PRODUCT ASSESSMENT AND RELIABILITY CENTRE LTD
Profit and Loss Account
for the year ended 31 December 2006

	Notes	2006 £	2005 £
Turnover		570,478	346,081
Cost of sales		(327,732)	(275,528)
Gross profit		<u>242,746</u>	<u>70,553</u>
Administrative expenses		(219,898)	(118,573)
Other operating income	2	28,778	47,273
Operating profit/(loss)	2	<u>51,626</u>	<u>(747)</u>
Interest receivable		174	1,385
Interest payable		(17,350)	(13,891)
Profit/(loss) on ordinary activities before taxation		<u>34,450</u>	<u>(13,253)</u>
Tax on profit/(loss) on ordinary activities	3	9,500	-
Retained profit for the financial year	10	<u>43,950</u>	<u>(13,253)</u>

PRODUCT ASSESSMENT AND RELIABILITY CENTRE LTD
Balance Sheet
as at 31 December 2006

	Notes	2006 £	2005 £
Fixed assets			
Tangible assets	4	285,438	275,887
Current assets			
Debtors	5	143,411	78,612
Cash at bank and in hand		-	26,092
		<u>143,411</u>	<u>104,704</u>
Creditors: amounts falling due within one year	6	(224,539)	(103,594)
Net current (liabilities)/assets		<u>(81,128)</u>	<u>1,110</u>
Total assets less current liabilities		<u>204,310</u>	<u>276,997</u>
Creditors: amounts falling due after more than one year	7	(193,702)	(310,339)
Net assets/(liabilities)		<u>10,608</u>	<u>(33,342)</u>
Capital and reserves			
Called up share capital	8	51,030	51,030
Revaluation reserve	9	31,333	192,247
Profit and loss account	10	(71,755)	(276,619)
Shareholders' funds		<u>10,608</u>	<u>(33,342)</u>

The directors are satisfied that the company is entitled to exemption under Section 249A(1) of the Companies Act 1985 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 Companies Act 1985, and
- (ii) preparing accounts 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 of the Companies Act 1985, and which otherwise comply with the requirements of this act relating to accounts, so far as applicable to the company

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


A Dykes

Director

Approved by the board on 27 October 2007

PRODUCT ASSESSMENT AND RELIABILITY CENTRE LTD

Notes to the Accounts

for the year ended 31 December 2006

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention modified to include the revaluation of in kind tangible fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts

Depreciation

Depreciation is now provided on a straight-line basis in order to write off the assets over their estimated useful lives as follows

Building improvements	10 years
Plant and machinery	7 to 10 years
Furniture, fixtures and equipment	7 years
Computer equipment	5 years

Where the recoverable amount for an asset is considered to be lower than depreciated historical cost, additional depreciation is charged to reduce the asset to its estimated recoverable amount

Government and other public sector grants

Grants in respect of capital expenditure are credited to a deferred income account and are released to income over the expected useful lives of the relevant assets in accordance with those assets' depreciation policies

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate

Deferred taxation

Provision is made in full for deferred taxation liabilities to take account of all timing differences between the incidence of income and expenditure for taxation and accounting purposes. The provision is not discounted

2 Operating loss

	2006 £	2005 £
This is stated after charging (crediting)		
Depreciation of owned fixed assets	56,310	91,822
Gain on disposal of fixed assets	(1,172)	(1,155)
Gain on disposal of investments	-	(7,495)
Government and other public sector grants	<u>(28,778)</u>	<u>(39,778)</u>

PRODUCT ASSESSMENT AND RELIABILITY CENTRE LTD
Notes to the Accounts
for the year ended 31 December 2006

3 Taxation	2006 £	2005 £
Deferred tax	<u>(9,500)</u>	<u>-</u>

4 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Total £
Cost or valuation			
At 1 January 2006	74,457	825,676	900,133
Additions	29,899	36,833	66,732
Disposals	<u>-</u>	<u>(99,919)</u>	<u>(99,919)</u>
At 31 December 2006	<u>104,356</u>	<u>762,590</u>	<u>866,946</u>
Depreciation			
At 1 January 2006	45,408	578,838	624,246
Charge for the year	8,757	47,553	56,310
On disposals	<u>-</u>	<u>(99,048)</u>	<u>(99,048)</u>
At 31 December 2006	<u>54,165</u>	<u>527,343</u>	<u>581,508</u>
Net book value			
At 31 December 2006	<u>50,191</u>	<u>235,247</u>	<u>285,438</u>
At 31 December 2005	<u>29,049</u>	<u>246,838</u>	<u>275,887</u>

Some machinery was provided to the company at no cost as part of the matched funding arrangements. These assets are included above at their estimated value to the company at the time they were provided less depreciation to date.

5 Debtors	2006 £	2005 £
Trade debtors	125,708	76,891
Deferred tax asset	9,500	-
Other debtors	<u>8,203</u>	<u>1,721</u>
	<u>143,411</u>	<u>78,612</u>

The deferred tax asset represents the recognition of the benefit of that portion of the tax losses which are likely to reverse in the year ended 31 December 2007.

Amounts due after more than one year included above	<u>9,500</u>	<u>-</u>
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PRODUCT ASSESSMENT AND RELIABILITY CENTRE LTD
Notes to the Accounts
for the year ended 31 December 2006

6 Creditors: amounts falling due within one year	2006	2005
	£	£
Overdrafts and loans	36,801	4,704
Trade creditors	26,771	19,047
Owed to funding partner	94,414	35,000
Other taxes and social security costs	22,184	11,761
Other creditors	44,369	33,082
	<u>224,539</u>	<u>103,594</u>

Deferred income of £27,849 (2005 - £30,828) included in other creditors relates to grants in respect of capital expenditure

7 Creditors: amounts falling due after one year	2006	2005
	£	£
Enterprise Agency Loan	15,732	12,936
Owed to funding partner	104,992	198,626
Other creditors	72,978	98,777
	<u>193,702</u>	<u>310,339</u>

Other creditors relate to deferred income in respect of grants for capital expenditure

8 Share capital	2006	2005
	£	£
Authorised Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
	2006	2005
	No	No
Allotted and called up Ordinary shares of £1 each	<u>51,030</u>	<u>51,030</u>

9 Revaluation reserve	2006	2005
	£	£
At 1 January	192,247	192,247
Transfer to profit and loss account reserve during the year	(160,914)	-
	<u>31,333</u>	<u>192,247</u>
At 31 December		

The revaluation reserve comprises £31,133 of capital equipment which were provided at no cost to the company as part of the matched funding arrangements. The reduction in the reserve during the year relates to the scrapping of some of the revalued equipment and recognition of the fact that the benefit of the rights to use equipment has now ceased.

PRODUCT ASSESSMENT AND RELIABILITY CENTRE LTD
Notes to the Accounts
for the year ended 31 December 2006

10 Profit and loss account	2006	2005
	£	£
At 1 January	(276,619)	(263,366)
Retained profit/(loss)	43,950	(13,253)
Transfer from revaluation reserve	160,914	-
	<hr/>	<hr/>
At 31 December	(71,755)	(276,619)

11 Other financial commitments	2006	2005
	£	£
At the year end the company had annual commitments under non-cancellable operating leases as set out below		
Operating leases which expire		
within two to five years	11,788	-
in over five years	16,209	10,200
	<hr/>	<hr/>
	27,997	10,200

12 Related parties

During the year services were received by companies that were shareholding members and the company received revenue from supplying services to the these companies as follows

	Invoiced value	Balance due at 31 12 06
Beran Instruments Ltd	£7,024	£159
Firefly Systems Ltd	£4,362	£nil
Lamda UK Ltd	£11,992	£2,146
Partech Electronics Ltd	£1,890	£nil
Silvertree Engineering Ltd	£1,700	£nil

13 Taxation

Other than the benefit of tax losses that are likely to reverse in the year ended 31 December 2007, the company has not recognised the benefit of tax losses carried forward due to insufficient evidence that the deferred tax asset will be recovered. The amount of the asset not recognised in respect of revenue losses is approximately £47,000 (2005 £65,000). The total of trading losses and the excess of the tax written down value of plant and machinery compared to the accounting net book value after deducting deferred grants is approximately £300,000 (2005 £340,000) which is available to carry forward against future tax liabilities. In the current year £50,000 (2005 nil) of these losses have been recognised in these accounts as stated in note 5.