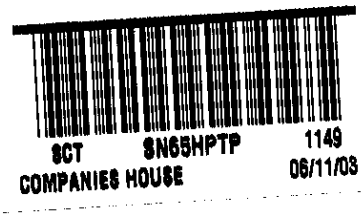
Clyde Valley Control Systems Limited

Company Number: SC69561

Abbreviated Accounts

For the year ended 31 May 2003



Hardie Caldwell

CHARTERED ACCOUNTANTS

Glasgow

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF CLYDE VALLEY CONTROL SYSTEMS LIMITED

We have examined the abbreviated financial statements on pages two to five, together with the full financial statements of the company for the year ended 31 May 2003 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of Directors and Auditors
The directors are responsible for preparing the abbreviated financial statements 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 financial statements prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of audit 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 financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purposes of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion
In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages two to five are properly prepared in accordance with these provisions.

Hardie Caldwell

Hardie Caldwell
Chartered Accountants
Registered Auditors
Savoy Tower
77 Renfrew Street
Glasgow G2 3BY

Dated: 5th September 2003

ABBREVIATED BALANCE SHEET
AS AT 31 MAY 2003

	Note	2003 £	2002 £
Fixed assets			
Intangible assets		2	2
Tangible assets	2	169,234	223,426
Investment	3	1	1
		169,237	223,429
Current assets			
Stocks		125,015	163,536
Debtors		219,622	333,884
Investments		103,000	-
Cash at bank and in hand		46,895	262,425
		494,532	759,845
Creditors: Amounts falling due within one year	4	189,845	299,353
Net current assets		304,687	460,492
Total assets less current liabilities		473,924	683,921
Creditors: Amounts falling due after more than one year	5	2,278	12,232
		471,646	671,689
Deferred taxation		-	9,815
Net assets		471,646	661,874
Capital and reserves			
Called up share capital	6	8,710	17,160
Reserves		462,936	644,714
Shareholders' Funds		471,646	661,874

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board on 28 August 2003 and signed on its behalf

J W Graham *Director*

L Graham *Director*

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

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2003

1) Accounting policies

Accounting convention
The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards. The directors have taken advantage of the exemption available under Section 248 of the Act not to prepare group accounts as the group which it heads qualifies as a small sized group. The accounts therefore contain information about the company as an individual company and do not contain consolidated accounting information as the parent of a group.

Going concern
The company is facing difficult trading conditions resulting in trading losses. The directors however, believe that the present position is sustainable given the cash resources available.
The directors are currently assessing ways of increasing the turnover base and taking appropriate cost cutting measures which should provide the company with the opportunity to reverse its trading results. The directors therefore believe it appropriate to prepare the accounts on the going concern basis.

Fixed assets
Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at the following rates which are calculated to write down the assets to their estimated value at the end of their useful working lives:-

Plant & equipment	-	10% - 33.33% straight line
Office fittings & equipment	-	10% - 33.33% straight line
Motor vehicles	-	20% - 25% straight line
Plant & equipment	-	Additions in first 6 months receive a full year's charge. Additions in second 6 months receive no charge.
Office fittings & equipment	-	As above
Motor vehicles	-	Depreciated from month of purchase to month of sale.

Leasing and hire purchase commitments
Assets obtained under hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.
Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Intangible assets - Patents application
Expenditure on the registration of patents has been written off to revenue leaving a nominal value on the balance sheet.

Stocks and work in progress
Stocks are valued at the lower of cost and net realisable value. Work in progress is valued at material cost, direct labour and attributable overheads.

Deferred taxation
Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Pensions
Defined contribution scheme
Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. All differences are taken to the profit and loss account.

Research and development expenditure
Research and development expenditure is charged to the profit and loss account in the period in which it is incurred.

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2003 (CONT'D)

1) Accounting policies (continued)

Current asset investments
The company treats cash invested in a corporate bond fund as a liquid resource for the purposes of cash flow.

2) Tangible assets

	Plant & Equipment £	Office Fittings & Equipment £	Motor Vehicles £	Total £
Cost				
As at 1 June 2002	352,739	411,602	108,327	872,668
Additions	880	11,612	61,633	74,125
Disposals	-	(73,184)	(60,440)	(133,624)
As at 31 May 2003	353,619	350,030	109,520	813,169
Depreciation				
As at 1 June 2002	274,052	323,394	51,796	649,242
Charge for year	15,544	28,706	27,021	71,271
Disposals	-	(43,796)	(32,782)	(76,578)
As at 31 May 2003	289,596	308,304	46,035	643,935
Net book value				
31 May 2003	64,023	41,726	63,485	169,234
31 May 2002	78,687	88,208	56,531	223,426

3) Investment

This amount represents the investment by Clyde Valley Control Systems Limited in the ordinary share capital of its wholly owned subsidiary CVCS Distribution Limited, a company incorporated in Great Britain and registered in Scotland. The subsidiary did not trade in the year and group accounts have not been prepared for the reasons stated in both the Directors Report and the accounting policies. The capital and reserves of the subsidiary at 31 May 2003 amounted to £1,749 (2002: £1,749). This included a balance owed by the holding company which amounted to £1,748.

4) Creditors: amounts falling due within one year

Included within creditors is a bank overdraft of £3,874 which is secured by a bond and floating charge on the assets of the company. The bank overdraft is repayable on demand.

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2003 (CONT'D)

5) Creditors: amounts falling due over more than one year

	2003 £	2002 £
Bank loan	-	8,809
HP creditors	2,278	3,423
	2,278	12,232

6) Share capital

	Ordinary Shares		10½% Cumulative Convertible Participating Redeemable Preference Shares	
	2003 £	2002 £	2003 £	2002 £
Authorised share capital				
Shares of £1 each	30,000	30,000	70,000	70,000
Allotted, Issued and fully paid				
Shares of £1 each	8,710	17,160	-	-