

THE EUROPEAN MARINE ENERGY CENTRE LTD
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2005



THE EUROPEAN MARINE ENERGY CENTRE LTD

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THE EUROPEAN MARINE ENERGY CENTRE LTD

INDEPENDENT AUDITORS' REPORT TO THE EUROPEAN MARINE ENERGY CENTRE LTD UNDER SECTION 247B OF THE COMPANIES ACT 1985

I have examined the abbreviated accounts set out on pages 2 to 4, together with the financial statements of the company for the year ended 30 June 2005 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. My audit work has been undertaken so that I might state to the company those matters I am required to state to them in an auditor's report on abbreviated accounts and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company, for my audit work, for this report, or for the opinions I have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is my 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 to report my opinion to you.

Basis of audit opinion

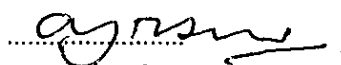
I have carried out the procedures I considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of my work for the purpose of this report did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

Opinion

In my opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.

A J B Scholes

Chartered Accountants
Registered Auditor


20/12/05

37 Albert Street
Kirkwall
Orkney
KW15 1HQ

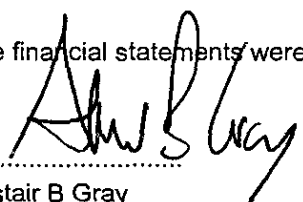
THE EUROPEAN MARINE ENERGY CENTRE LTD

ABBREVIATED BALANCE SHEET AS AT 30 JUNE 2005

	Notes	2005 £	£	2004 £	£
Fixed assets					
Intangible assets	2	198,954		171,832	
Tangible assets	2	25,087		31,844	
		<u>224,041</u>		<u>203,676</u>	
Current assets					
Debtors		87,219		65,172	
Cash at bank and in hand		51,329		3,651	
		<u>138,548</u>		<u>68,823</u>	
Creditors: amounts falling due within one year		<u>(85,694)</u>		<u>(27,093)</u>	
Net current assets		<u>52,854</u>		<u>41,730</u>	
Total assets less current liabilities		<u>276,895</u>		<u>245,406</u>	
Accruals and deferred income		<u>(223,537)</u>		<u>(203,676)</u>	
		<u>53,358</u>		<u>41,730</u>	
Capital and reserves					
Other reserves		200,000		100,000	
Profit and loss account		(146,642)		(58,270)	
Reserves		<u>53,358</u>		<u>41,730</u>	

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

The financial statements were approved by the Board on 20/12/05.....


Alistair B Gray
Director

THE EUROPEAN MARINE ENERGY CENTRE LTD

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2005

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	20% straight line basis
Computer equipment	33% straight line basis
Fixtures, fittings & equipment	20% straight line basis

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Pensions

The company contributes to personal pension plans for the benefit of some employees at a rate of 10% of salary. Contributions payable are charged to the profit and loss account in the year they are payable.

1.7 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.8 Government grants

Grants towards capital are credited to deferred revenue and released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are credited to the profit and loss account as the related expenditure is incurred.

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NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2005

2 Fixed assets

	Intangible assets £	Tangible assets £	Total £
Cost			
At 1 July 2004	190,924	40,129	231,053
Additions	99,804	2,193	101,997
At 30 June 2005	290,728	42,322	333,050
Depreciation			
At 1 July 2004	19,092	8,285	27,377
Charge for the year	72,682	8,950	81,632
At 30 June 2005	91,774	17,235	109,009
Net book value			
At 30 June 2005	198,954	25,087	224,041
At 30 June 2004	171,832	31,844	203,676

3 Transactions with directors

JWG Consulting Limited, a company controlled by John W Griffiths, supplied services, additional to his directorship, to the value of £9,087 to the company.