

Company Registration Number: 2027772
Abbreviated Accounts

Ser-tec Systems Limited

Report and Accounts

31st August, 1996



Harris & Co.
Chartered Accountants,
Wolverhampton WV2 2JL.

Ser-tec Systems Limited

Company Information

Directors	I. Sprott S.J. Sprott appointed 20th November, 1995
Secretary	S.J. Sprott
Company Number	2027772 Registered in England
Registered Office	24 Chesterton Close, Hunt End, Redditch, B97 5XS.
Auditors	Harris & Co. Chartered Accountants, Lincoln Chambers, 7 Cooper Street, Wolverhampton WV2 2JL.

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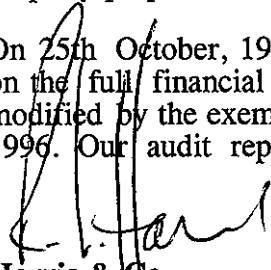
Ser-tec Systems Limited

Auditors' Report to the Directors of Ser-tec Systems Limited Pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985

We have examined the abbreviated accounts on pages 4 to 10 together with the full financial statements of Ser-tec Systems Limited for the year ended 31st August, 1996. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors statement on page 1 and that the abbreviated accounts have been properly prepared from the full financial statements.

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act in respect of the year ended 31st August, 1996, and the abbreviated accounts on pages 4 to 10 have been properly prepared in accordance with that schedule.

On 25th October, 1996 we reported, as auditors of Ser-tec Systems Limited, to the members on the full financial statements prepared under section 226 of the Companies Act 1985 as modified by the exemptions provided by Part I of Schedule 8, for the year ended 31st August, 1996. Our audit report under section 235 of the Companies Act 1985 was as overleaf:



Harris & Co.
Registered Auditor

Date: 25th October, 1996

Chartered Accountants,
Lincoln Chambers,
7 Cooper Street,
Wolverhampton WV2 2JL.

Ser-tec Systems Limited

Auditors' Report to the shareholders of Ser-tec Systems Limited

We have audited the financial statements on pages 3 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

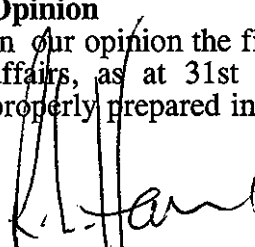
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs, as at 31st August, 1996, and of its Profit for the year then ended and have been properly prepared in accordance with the Companies Act, 1985.



Harris & Co.
Registered Auditor

Chartered Accountants,
Lincoln Chambers,
7 Cooper Street,
Wolverhampton WV2 2JL.

Date: 25th October, 1996

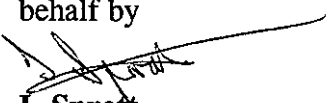
Ser-tec Systems Limited
Balance Sheet
As at 31st August, 1996

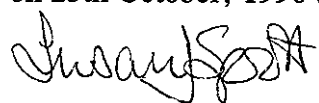
	Notes	1996 £	£	1995 £	£
Fixed Assets					
Tangible assets	10		80,774		59,866
Current Assets					
Stocks	11	18,384		16,369	
Debtors	12	190,572		138,762	
Cash at bank and in hand		-		5,407	
		<u>208,956</u>		<u>160,538</u>	
Creditors: amounts falling due within one year	13	<u>(251,480)</u>		<u>(190,826)</u>	
Net Current Liabilities			<u>(42,524)</u>		<u>(30,288)</u>
Total Assets Less Current Liabilities			38,250		29,578
Creditors: amounts falling due after more than one year	14		<u>(15,884)</u>		<u>(17,256)</u>
Net Assets			<u>22,366</u>		<u>12,322</u>
Capital and Reserves					
Called up share capital	15		100		100
Profit and loss account	16		22,266		12,222
Equity Shareholders' Funds	17		<u>22,366</u>		<u>12,322</u>
Shareholders' Funds Analysed					
Equity interests			22,366		12,322
Non-equity interests			-		-

In preparing these financial statements:

- Advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8 of the Companies Act 1985.
- Advantage has been taken, in the preparation of the financial statements, of special exemptions applicable to small companies.
- In the opinion of the directors the company is entitled to those exemptions on the basis that it qualifies as a small company under Section 247 of the Companies Act 1985.

The financial statements were approved by the Board on 25th October, 1996 and signed on its behalf by


I. Sprott
 Director


S.J. Sprott
 Director

The notes on pages 5 to 10 form an integral part of these financial statements.

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 1996

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small company.

1.2 Turnover

Turnover represents amounts receivable for goods and services provided within the UK net of VAT.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation has been provided at rates calculated to write off the cost less residual value of each asset over its expected useful life and has been reasonably computed and consistently applied, as follows;

Plant and machinery	-	25% straight line
Fixtures, fittings and equipment	-	25% straight line
Motor vehicles	-	25% reducing balance

Assets are depreciated in the year of acquisition, if in use at the year end.

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits as incurred.

1.5 Stock and work in progress

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

1.6 Pensions

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

1.7 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the U.K.

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 1996

3. Operating Profit	1996 £	1995 £
Operating Profit is stated after charging:		
Depreciation of tangible assets	15,111	22,717
Hire of plant and machinery	973	940
Auditors' remuneration	1,978	2,562
	<u> </u>	<u> </u>
and after crediting:		
Profit on disposal of tangible fixed assets	660	(235)
	<u> </u>	<u> </u>

4. Interest receivable and similar income	1996 £	1995 £
Bank interest	1,125	886
Other interest	9	-
	<u> </u>	<u> </u>
	1,134	886
	<u> </u>	<u> </u>

5. Interest payable and similar charges	1996 £	1995 £
Hire purchase interest	2,875	2,644
	<u> </u>	<u> </u>

6. Employees

Number of employees

The average weekly number of employees (including the Directors) during the period were:

	1996 Number	1995 Number
Directors	2	1
Staff	7	5
	<u> </u>	<u> </u>
	9	6
	<u> </u>	<u> </u>

Employment costs	1996 £	1995 £
Wages and salaries	120,145	95,921
Social security costs	16,000	8,003
Benefit in Kind	14,618	8,497
Other pension costs	7,740	7,343
	<u> </u>	<u> </u>
	158,503	119,764
	<u> </u>	<u> </u>

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 1996

6.1 Directors' emoluments

	1996	1995
	£	£
Remuneration		
Directors' emoluments	31,303	25,168
Benefit in kind	7,314	5,814
	<u>38,617</u>	<u>30,982</u>

7. Pension costs

The scheme is an approved defined contribution scheme. The assets of which are kept in a separate fund.

8. Taxation

The corporation tax charge is based on the adjusted results for the year.

	1996	1995
	£	£
UK current year taxation		
UK Corporation Tax at 24.58% (1995 - 25%)	12,385	8,750
	<u>12,385</u>	<u>8,750</u>
Prior years		
UK Corporation Tax	2,028	-
	<u>14,413</u>	<u>8,750</u>

9. Dividends

	1996	1995
	£	£
Dividends on equity shares:		
Ordinary shares - Final proposed	<u>30,000</u>	<u>24,000</u>

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 1996

10. Tangible assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1st September, 1995	11,187	14,937	75,650	101,774
Additions	8,441	1,037	38,645	48,123
Disposals	-	-	(23,716)	(23,716)
At 31st August, 1996	<u>19,628</u>	<u>15,974</u>	<u>90,579</u>	<u>126,181</u>
Depreciation				
At 1st September, 1995	7,962	13,439	20,507	41,908
On disposals	-	-	(11,612)	(11,612)
Charge for the year	3,774	1,620	9,717	15,111
At 31st August, 1996	<u>11,736</u>	<u>15,059</u>	<u>18,612</u>	<u>45,407</u>
Net book values				
At 31st August, 1996	<u>7,892</u>	<u>915</u>	<u>71,967</u>	<u>80,774</u>
At 31st August, 1995	<u>3,225</u>	<u>1,498</u>	<u>55,143</u>	<u>59,866</u>

Included in Tangible Fixed Assets are assets held under finance leases or hire purchase contracts, and secured by that contract, as follows:

Asset description	1996 Net book value £	Depreciation charge £	1995 Net book value £	Depreciation charge £
Motor vehicles (six)	<u>71,967</u>	<u>9,717</u>	<u>55,143</u>	<u>16,964</u>

11. Stocks

	1996 £	1995 £
Raw materials and consumables	2,655	2,000
Work in progress	<u>15,729</u>	<u>14,369</u>
At Directors valuation.	<u>18,384</u>	<u>16,369</u>

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 1996

12. Debtors

	1996	1995
	£	£
Trade debtors	178,033	127,086
Amount owed by connected companies	363	213
Other debtors	11,400	10,800
Prepayments and accrued income	776	663
	<u>190,572</u>	<u>138,762</u>

13. Creditors: amounts falling due within one year

	1996	1995
	£	£
Bank overdraft	20,126	-
Net obligations under finance leases and hire purchase contracts	20,531	18,361
Trade creditors	125,971	98,987
Corporation tax	12,384	14,750
Other taxes and social security costs	16,709	7,429
Directors' accounts	53,719	49,498
Accruals and deferred income	2,040	1,801
	<u>251,480</u>	<u>190,826</u>

14. Creditors: amounts falling due after more than one year

	1996	1995
	£	£
Net obligations under finance leases and hire purchase contracts	<u>15,884</u>	<u>17,256</u>
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	20,531	18,361
Repayable between one and five years	15,884	17,256
	<u>36,415</u>	<u>35,617</u>

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 1996

15. Share capital	1996	1995
	£	£
Authorised		
1,000 Ordinary shares	1,000	1,000
	1,000	1,000
Equity interest	1,000	1,000
Non-equity interest	-	-
Allotted, called up and fully paid equity		
100 Ordinary shares	100	100
	100	100
Equity interest	100	100
Non-equity interest	-	-
16. Reserves		
	Profit and loss account	Total
	£	£
At 1st September, 1995	12,222	12,222
Profit for the year	10,044	10,044
	22,266	22,266
At 31st August, 1996		
17. Reconciliation of movements in shareholders' funds		
	1996	1995
	£	£
Profit for the year	40,044	18,976
Dividends	(30,000)	(24,000)
	10,044	(5,024)
Opening shareholders' funds	12,322	17,346
	22,366	12,322
18. Capital commitments		
	1996	1995
	£	£
Details of capital commitments at the accounting date are as follows:	-	-