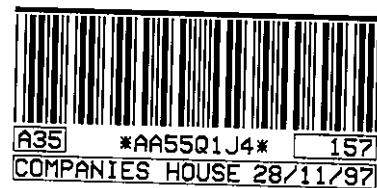


Company Registration Number: 2027772
Abbreviated Accounts

Ser-tec Systems Limited

Report and Accounts

31st August, 1997



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

Ser-tec Systems Limited

Company Information

Directors	I. Sprott S.J. Sprott
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 Ser-tec Systems Limited Pursuant to Section 247B of the Companies Act 1985

We have examined the abbreviated accounts on pages 4 to 10 together with the financial statements of Ser-tec Systems Limited prepared under section 226 of the Companies Act 1985 for the year ended 31st August, 1997.

Respective responsibilities of Directors and Auditors

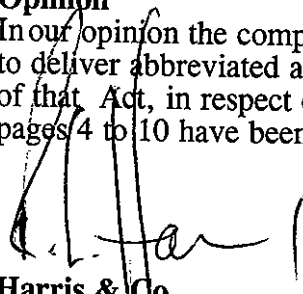
The Directors are responsible for preparing the abbreviated accounts in accordance with the special provisions of part VII of the Companies Act 1985 applicable to small companies. It is our responsibility to form an independent opinion as to the Company's entitlement to deliver abbreviated accounts and whether the abbreviated accounts have been properly prepared in accordance with those provisions.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the audited financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does 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 under sections 246 and 247 of the Companies Act 1985 to deliver abbreviated accounts prepared in accordance with the special provisions of Part VII of that Act, in respect of the year ended 31st August, 1997, and the abbreviated accounts on pages 4 to 10 have been properly prepared in accordance with those provisions.



Harris & Co.
Registered Auditor

Date: 13th November, 1997

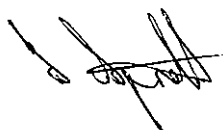
Chartered Accountants,
Lincoln Chambers,
7 Cooper Street,
Wolverhampton WV2 2JL.

Ser-tec Systems Limited
Balance Sheet
As at 31st August, 1997

	Notes	1997 £	£	1996 £	£
Fixed Assets					
Tangible assets	10		57,624		80,774
Current Assets					
Stocks	11	45,681		18,384	
Debtors	12	160,544		190,572	
		<u>206,225</u>		<u>208,956</u>	
Creditors: amounts falling due within one year	13	<u>(232,793)</u>		<u>(251,480)</u>	
Net Current Liabilities			(26,568)		(42,524)
Total Assets Less Current Liabilities			<u>31,056</u>		<u>38,250</u>
Creditors: amounts falling due after more than one year	14		(6,476)		(15,884)
Net Assets			<u>24,580</u>		<u>22,366</u>
Capital and Reserves					
Called up share capital	15		100		100
Profit and loss account	16		24,480		22,266
Equity Shareholders' Funds	17		<u>24,580</u>		<u>22,366</u>
Shareholders' Funds Analysed					
Equity interests			24,580		22,366
Non-equity interests			-		-

The financial statements which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies were approved by the board on 13th November, 1997 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, 1997

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 part 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, 1997

3. Operating Profit	1997	1996
	£	£
Operating Profit is stated after charging:		
Depreciation of tangible assets	18,495	15,111
Loss on disposal of tangible fixed assets	3,974	(660)
Hire of plant and machinery	940	973
Auditors' remuneration	2,043	1,978
	<u> </u>	<u> </u>
4. Interest receivable and similar income	1997	1996
	£	£
Bank interest	1,155	1,125
Other interest	-	9
	<u> </u>	<u> </u>
	<u>1,155</u>	<u>1,134</u>
5. Interest payable and similar charges	1997	1996
	£	£
Hire purchase interest	2,760	2,875
	<u> </u>	<u> </u>
6. Employees		
Number of employees		
The average weekly number of employees (including the Directors) during the period were:		
	1997	1996
	Number	Number
Directors	2	2
Staff	6	7
	<u> </u>	<u> </u>
	<u>8</u>	<u>9</u>
Employment costs	1997	1996
	£	£
Wages and salaries	124,040	120,145
Social security costs	12,578	16,000
Benefit in Kind	13,541	14,618
Other pension costs	13,937	7,740
	<u> </u>	<u> </u>
	<u>164,096</u>	<u>158,503</u>

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 1997

6.1 Directors' emoluments

	1997	1996
	£	£
Remuneration		
Directors' emoluments	40,654	31,303
Benefit in kind	5,426	7,314
	<u>46,080</u>	<u>38,617</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.

	1997	1996
	£	£
UK current year taxation		
UK Corporation Tax at 22.75% (1996 - 24.58%)	11,019	12,385
	<u>11,019</u>	<u>12,385</u>
Prior years		
UK Corporation Tax	(598)	2,028
	<u>10,421</u>	<u>14,413</u>

9. Dividends

Dividends on equity shares:

	1997	1996
	£	£
Ordinary shares - Final proposed	<u>35,000</u>	<u>30,000</u>

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 1997

10. Tangible assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1st September, 1996	19,628	15,974	90,579	126,181
Additions	7,619	-	-	7,619
Disposals	-	-	(23,564)	(23,564)
At 31st August, 1997	<u>27,247</u>	<u>15,974</u>	<u>67,015</u>	<u>110,236</u>
Depreciation				
At 1st September, 1996	11,736	15,059	18,612	45,407
On disposals	-	-	(11,290)	(11,290)
Charge for the year	2,576	259	15,660	18,495
At 31st August, 1997	<u>14,312</u>	<u>15,318</u>	<u>22,982</u>	<u>52,612</u>
Net book values				
At 31st August, 1997	<u>12,935</u>	<u>656</u>	<u>44,033</u>	<u>57,624</u>
At 31st August, 1996	<u>7,892</u>	<u>915</u>	<u>71,967</u>	<u>80,774</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	1997 Net book value £	Depreciation charge £	1996 Net book value £	Depreciation charge £
Motor vehicles (four)	<u>44,033</u>	<u>14,678</u>	<u>71,967</u>	<u>9,717</u>

11. Stocks

	1997 £	1996 £
Raw materials and consumables	2,570	2,655
Work in progress	43,111	15,729
At Directors valuation.	<u>45,681</u>	<u>18,384</u>

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 1997

12. Debtors

	1997	1996
	£	£
Trade debtors	145,484	178,033
Amount owed by connected companies	363	363
Other debtors	13,738	11,400
Prepayments and accrued income	959	776
	<u>160,544</u>	<u>190,572</u>

13. Creditors: amounts falling due within one year

	1997	1996
	£	£
Bank overdraft	13,665	20,126
Net obligations under finance leases and hire purchase contracts	8,075	20,531
Trade creditors	128,144	125,971
Corporation tax	11,019	12,384
Other taxes and social security costs	6,031	16,709
Directors' accounts	63,737	53,719
Accruals and deferred income	2,122	2,040
	<u>232,793</u>	<u>251,480</u>

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

	1997	1996
	£	£
Net obligations under finance leases and hire purchase contracts	<u>6,476</u>	<u>15,884</u>
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	8,075	20,531
Repayable between one and five years	6,476	15,884
	<u>14,551</u>	<u>36,415</u>

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 1997

15. Share capital	1997	1996
	£	£
Authorised		
1,000 Ordinary shares	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
Equity interest	1,000	1,000
Non-equity interest	-	-
	<u><u>1,000</u></u>	<u><u>1,000</u></u>
Allotted, called up and fully paid equity		
100 Ordinary shares	100	100
	<u>100</u>	<u>100</u>
Equity interest	100	100
Non-equity interest	-	-
	<u><u>100</u></u>	<u><u>100</u></u>
16. Reserves	Profit and loss account	Total
	£	£
At 1st September, 1996	22,266	22,266
Profit for the year	2,214	2,214
	<u>24,480</u>	<u>24,480</u>
At 31st August, 1997	<u><u>24,480</u></u>	<u><u>24,480</u></u>
17. Reconciliation of movements in shareholders' funds	1997	1996
	£	£
Profit for the year	37,214	40,044
Dividends	(35,000)	(30,000)
	<u>2,214</u>	<u>10,044</u>
Opening shareholders' funds	22,366	12,322
	<u>24,580</u>	<u>22,366</u>
18. Capital commitments	1997	1996
	£	£
Details of capital commitments at the accounting date are as follows:	-	-
	<u><u>-</u></u>	<u><u>-</u></u>