

Company Registration Number: 2027772
Abbreviated Accounts

Ser-tec Systems Limited

Report and Accounts

31st August, 1998



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.

CONTENTS

Auditors' Report	2
Balance Sheet	4
Notes to the Financial Statements	5-11

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 11 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, 1998.

Respective responsibilities of Directors and Auditors

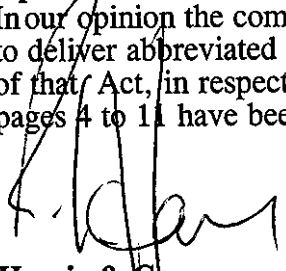
The Directors are responsible for preparing the abbreviated accounts in accordance with the special provisions of part VII of the Companies Act 1985 applicable to small companies. It is our responsibility to form an independent opinion as to the Company's entitlement to deliver abbreviated accounts and 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, 1998, and the abbreviated accounts on pages 4 to 11 have been properly prepared in accordance with those provisions.



Harris & Co.
Registered Auditor

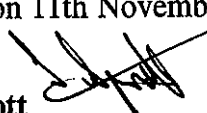
Date: 11th November, 1998

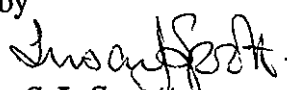
Chartered Accountants,
Lincoln Chambers,
7 Cooper Street,
Wolverhampton WV2 2JL.

Ser-tec Systems Limited
Balance Sheet
As at 31st August, 1998

	Notes	1998 £	£	1997 £	£
Fixed Assets					
Tangible assets	10		62,733		57,624
Current Assets					
Stocks	11	49,009		45,681	
Debtors	12	187,272		160,544	
		<u>236,281</u>		<u>206,225</u>	
Creditors: amounts falling due within one year	13	<u>(248,486)</u>		<u>(232,793)</u>	
Net Current Liabilities			<u>(12,205)</u>		<u>(26,568)</u>
Total Assets Less Current Liabilities			50,528		31,056
Creditors: amounts falling due after more than one year	14		<u>(13,975)</u>		<u>(6,476)</u>
Net Assets			<u>36,553</u>		<u>24,580</u>
Capital and Reserves					
Called up share capital	15		100		100
Profit and loss account	16		36,453		24,480
Equity Shareholders' Funds	17		<u>36,553</u>		<u>24,580</u>
Shareholders' Funds Analysed					
Equity interests			36,553		24,580
Non-equity interests			<u>-</u>		<u>-</u>

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 11th November, 1998 and signed on its behalf by


I. Sprott
 Director


S.J. Sprott
 Director

The notes on pages 5 to 11 form an integral part of these financial statements.

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 1998

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention. The accounts are prepared in accordance with the Financial Reporting Statement for Smaller Entities. The company has taken advantage of the exemption in FRSSE 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, 1998

3. Operating Profit	1998	1997
	£	£
Operating Profit is stated after charging:		
Depreciation of tangible assets	18,865	18,495
Loss on disposal of tangible fixed assets	4,445	3,974
Hire of plant and machinery	1,663	940
Auditors' remuneration	2,055	2,043

4. Interest receivable and similar income	1998	1997
	£	£
Bank interest	1,437	1,155

5. Interest payable and similar charges	1998	1997
	£	£
On bank loans and overdrafts	11	-
Hire purchase interest	1,976	2,760
	1,987	2,760

6. Employees

Number of employees

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

	1998	1997
	Number	Number
Directors	2	2
Staff	7	6
	9	8

Employment costs	1998	1997
	£	£
Wages and salaries	136,667	124,040
Social security costs	13,798	12,578
Benefit in Kind	12,532	13,541
Other pension costs	13,504	13,937
	176,501	164,096

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 1998

6.1 Directors' emoluments

	1998	1997
	£	£
Remuneration		
Directors' emoluments	40,887	40,654
Benefit in kind	2,994	5,426
	<u>43,881</u>	<u>46,080</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.

	1998	1997
	£	£
UK current year taxation		
UK Corporation Tax at 21% (1997 - 22.75%)	12,320	11,019
	<u>12,320</u>	<u>11,019</u>
Prior years		
UK Corporation Tax	-	(598)
	<u>12,320</u>	<u>10,421</u>

9. Dividends

Dividends on equity shares:

	1998	1997
	£	£
Ordinary shares - Final proposed	<u>32,000</u>	<u>35,000</u>

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 1998

10. Tangible assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1st September, 1997	27,247	15,974	67,015	110,236
Additions	2,869	-	35,200	38,069
Disposals	-	-	(25,545)	(25,545)
At 31st August, 1998	<u>30,116</u>	<u>15,974</u>	<u>76,670</u>	<u>122,760</u>
Depreciation				
At 1st September, 1997	14,312	15,318	22,982	52,612
On disposals	-	-	(11,450)	(11,450)
Charge for the year	4,473	259	14,133	18,865
At 31st August, 1998	<u>18,785</u>	<u>15,577</u>	<u>25,665</u>	<u>60,027</u>
Net book values				
At 31st August, 1998	<u>11,331</u>	<u>397</u>	<u>51,005</u>	<u>62,733</u>
At 31st August, 1997	<u>12,935</u>	<u>656</u>	<u>44,033</u>	<u>57,624</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	1998 Net book value £	Depreciation charge £	1997 Net book value £	Depreciation charge £
Motor vehicles (three)	<u>38,179</u>	<u>6,846</u>	<u>44,033</u>	<u>14,678</u>

11. Stocks

	1998 £	1997 £
Raw materials and consumables	2,555	2,570
Work in progress	46,454	43,111
	<u>49,009</u>	<u>45,681</u>
At Directors valuation.		

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 1998

12. Debtors

	1998	1997
	£	£
Trade debtors	175,589	145,484
Amount owed by connected companies	-	363
Other debtors	10,696	13,738
Prepayments and accrued income	987	959
	<u>187,272</u>	<u>160,544</u>

13. Creditors: amounts falling due within one year

	1998	1997
	£	£
Bank overdraft	9,926	13,665
Net obligations under finance leases and hire purchase contracts	14,122	8,075
Trade creditors	115,604	128,144
Corporation tax	12,320	11,019
Other taxes and social security costs	15,475	6,031
Directors' accounts	78,880	63,737
Other creditors	41	-
Accruals and deferred income	2,118	2,122
	<u>248,486</u>	<u>232,793</u>

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

	1998	1997
	£	£
Net obligations under finance leases and hire purchase contracts	<u>13,975</u>	<u>6,476</u>
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	14,122	8,075
Repayable between one and five years	13,975	6,476
	<u>28,097</u>	<u>14,551</u>

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 1998

15. Share capital	1998	1997
	£	£
Authorised		
1,000 Ordinary shares	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
	<u><u>1,000</u></u>	<u><u>1,000</u></u>
Equity interest	1,000	1,000
Non-equity interest	-	-
	<u><u>-</u></u>	<u><u>-</u></u>
 Allotted, called up and fully paid equity		
100 Ordinary shares	100	100
	<u>100</u>	<u>100</u>
	<u><u>100</u></u>	<u><u>100</u></u>
Equity interest	100	100
Non-equity interest	-	-
	<u><u>-</u></u>	<u><u>-</u></u>
 16. Reserves		
	Profit and loss account	Total
	£	£
At 1st September, 1997	24,480	24,480
Profit for the year	11,973	11,973
	<u>36,453</u>	<u>36,453</u>
At 31st August, 1998	<u><u>36,453</u></u>	<u><u>36,453</u></u>
Equity interests	36,453	36,453
Non-equity interests	-	-
	<u><u>-</u></u>	<u><u>-</u></u>
 17. Reconciliation of movements in shareholders' funds		
	1998	1997
	£	£
Profit for the year	43,973	37,214
Dividends	(32,000)	(35,000)
	<u>11,973</u>	<u>2,214</u>
Opening shareholders' funds	24,580	22,366
	<u>36,553</u>	<u>24,580</u>
	<u><u>36,553</u></u>	<u><u>24,580</u></u>

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 1998

18. Capital commitments

Details of capital commitments at the
accounting date are as follows:

1998	1997
£	£
-	-
<u> </u>	<u> </u>