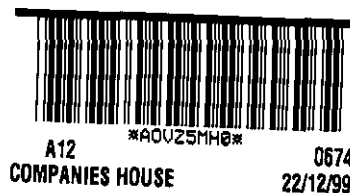


Company Registration Number: 2027772
Abbreviated Accounts

Ser-tec Systems Limited

Report and Accounts

31st August, 1999



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 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, 1999.

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, 1999, and the abbreviated accounts on pages 4 to 11 have been properly prepared in accordance with those provisions.



Harris & Co.
Chartered Accountants, and,
Registered Auditor

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

Date: 30th September, 1999

Ser-tec Systems Limited
Balance Sheet
As at 31st August, 1999

	Notes	1999 £	£	1998 £	£
Fixed Assets					
Tangible assets	10		70,553		62,733
Current Assets					
Stocks	11	44,580		49,009	
Debtors	12	207,832		187,272	
Cash at bank and in hand		9,364		-	
		<u>261,776</u>		<u>236,281</u>	
Creditors: amounts falling due within one year	13	<u>(263,612)</u>		<u>(248,486)</u>	
Net Current Liabilities			<u>(1,836)</u>		<u>(12,205)</u>
Total Assets Less Current Liabilities			68,717		50,528
Creditors: amounts falling due after more than one year	14		<u>(11,582)</u>		<u>(13,975)</u>
Net Assets			<u>57,135</u>		<u>36,553</u>
Capital and Reserves					
Called up share capital	16		100		100
Profit and loss account	17		57,035		36,453
Shareholders' Funds	18		<u>57,135</u>		<u>36,553</u>
Shareholders' Funds Analysed					
Equity interests			57,135		36,553
Non-equity interests			-		-

The abbreviated accounts 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 30th September, 1999 and signed on its behalf by


I. Spratt
 Director


S.J. Spratt
 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, 1999

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, 1999

3. Operating Profit	1999	1998
	£	£
Operating Profit is stated after charging:		
Depreciation of tangible assets	21,682	18,865
Loss on disposal of tangible fixed assets	4,922	4,445
Hire of plant and machinery	-	1,663
Auditors' remuneration	2,475	2,055
	<u> </u>	<u> </u>

4. Interest receivable and similar income	1999	1998
	£	£
Bank interest	2,036	1,437
	<u> </u>	<u> </u>

5. Interest payable and similar charges	1999	1998
	£	£
On bank loans and overdrafts	-	11
Hire purchase interest	1,664	1,976
	<u> </u>	<u> </u>
	1,664	1,987
	<u> </u>	<u> </u>

6. Employees

Number of employees

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

	1999	1998
	Number	Number
Directors	2	2
Staff	8	7
	<u> </u>	<u> </u>
	10	9
	<u> </u>	<u> </u>

Employment costs	1999	1998
	£	£
Wages and salaries	151,569	136,667
Social security costs	13,630	13,798
Benefit in Kind	15,697	12,532
Other pension costs	22,129	13,504
	<u> </u>	<u> </u>
	203,025	176,501
	<u> </u>	<u> </u>

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 1999

6.1 Directors' emoluments

	1999 £	1998 £
Remuneration		
Directors' emoluments	51,647	40,887
Benefit in kind	4,910	2,994
	<u>56,557</u>	<u>43,881</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.

	1999 £	1998 £
UK current year taxation		
UK Corporation Tax at 20.58% (1998 - 21.00%)	15,516	12,320
Transfer from deferred taxation	-	-
	<u>15,516</u>	<u>12,320</u>

9. Dividends

	1999 £	1998 £
Dividends on equity shares:		
Net of any dividend waivers		
Ordinary shares - Final proposed	35,000	32,000
	<u>35,000</u>	<u>32,000</u>

Ser-tet Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 1999

10. Tangible assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1st September, 1998	30,116	15,974	76,670	122,760
Additions	-	5,426	38,998	44,424
Disposals	-	-	(28,370)	(28,370)
At 31st August, 1999	<u>30,116</u>	<u>21,400</u>	<u>87,298</u>	<u>138,814</u>
Depreciation				
At 1st September, 1998	18,785	15,577	25,665	60,027
On disposals	-	-	(13,448)	(13,448)
Charge for the year	<u>5,159</u>	<u>1,752</u>	<u>14,771</u>	<u>21,682</u>
At 31st August, 1999	<u>23,944</u>	<u>17,329</u>	<u>26,988</u>	<u>68,261</u>
Net book values				
At 31st August, 1999	<u>6,172</u>	<u>4,071</u>	<u>60,310</u>	<u>70,553</u>
At 31st August, 1998	<u>11,331</u>	<u>397</u>	<u>51,005</u>	<u>62,733</u>

10.1 Tangible assets

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

Asset description	1999 Net book value £	Depreciation charge £	1998 Net book value £	Depreciation charge £
Motor vehicles Four (Three)	54,661	12,888	38,179	6,846
	<u>54,661</u>	<u>12,888</u>	<u>38,179</u>	<u>6,846</u>

11. Stocks

	1999 £	1998 £
Raw materials and consumables	3,273	2,555
Work in progress	<u>41,307</u>	<u>46,454</u>
At Directors valuation.	<u>44,580</u>	<u>49,009</u>

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 1999

12. Debtors

	1999	1998
	£	£
Trade debtors	206,046	175,589
Other debtors	1,050	10,696
Prepayments and accrued income	736	987
	<u>207,832</u>	<u>187,272</u>

13. Creditors: amounts falling due within one year

	1999	1998
	£	£
Bank overdraft	-	9,926
Net obligations under finance leases and hire purchase contracts	11,425	14,122
Trade creditors	131,371	115,604
Corporation tax	15,516	12,320
Other taxes and social security costs	18,165	15,475
Directors' accounts	84,660	78,880
Other creditors	-	41
Accruals and deferred income	2,475	2,118
	<u>263,612</u>	<u>248,486</u>

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

	1999	1998
	£	£
Net obligations under finance leases and hire purchase contracts	<u>11,582</u>	<u>13,975</u>
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	11,425	14,122
Repayable between one and five years	11,582	13,975
	<u>23,007</u>	<u>28,097</u>

Ser-tet Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 1999

15. Provisions for liabilities and charges

Deferred tax is provided at 20.58082 (1998 - 21) analysed over the following timing differences:

	Not provided		Provided	
	1999	1998	1999	1998
	£	£	£	£
Accelerated capital allowances	(857)	(192)	-	-

Movements on the provision for deferred taxation are:

	1999	1998
	£	£
At 1st September, 1998	-	-
Transferred from profit and loss account	-	-
At 31st August, 1999	-	-

16. Share capital

	1999	1998
	£	£
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	-	-

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 1999

17. Reserves

	Profit and loss account £	Total £
At 1st September, 1998	36,453	36,453
Profit for the year	20,582	20,582
At 31st August, 1999	<u>57,035</u>	<u>57,035</u>
Equity interests	57,035	57,035
Non-equity interests	-	-

18. Reconciliation of movements in shareholders' funds

	1999 £	1998 £
Profit for the year	55,582	43,973
Dividends	(35,000)	(32,000)
	<u>20,582</u>	<u>11,973</u>
Opening shareholders' funds	36,553	24,580
	<u>57,135</u>	<u>36,553</u>

19. Capital commitments

	1999 £	1998 £
Details of capital commitments at the accounting date are as follows:	-	-