

Company Registration Number: 2027772
Abbreviated Accounts

Ser-tec Systems Limited

Report and Accounts

31st August, 2001

Harris & Co.
Chartered Accountants,
Wolverhampton, WV14 6AH

HARRIS & CO



Ser-tec Systems Limited

Company Information

Directors	I. Sprott S.J. Sprott
Secretary	S.J. Sprott
Company Number	2027772 Registered in England and Wales
Registered Office	Home Farm, Stock Green, Redditch, B96 6TA.
Accountants	Harris & Co. Richmond House, 29 Wellington Road, Bilston, Wolverhampton. WV14 6AH

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Ser-tec Systems Limited

Accountants' Report to the Shareholders, on the Unaudited Financial Statements of Ser-tec Systems Limited.

The following reproduces the text of the report prepared for the purposes of section 249A(2) Companies Act 1985 in respect of the company's financial statements, from which the abbreviated financial statements (set out on pages 4 to 11) have been prepared.

We report on the financial statements for the year ended 31st August, 2001 set out on pages 3 to 11.

Respective responsibilities of directors and reporting accountants

As described on page 4, the company's directors are responsible for the preparation of financial statements, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

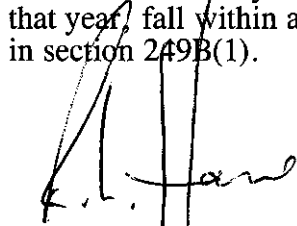
Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the financial statements are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).



Harris & Co.
Chartered Accountants, and
Reporting Accountants

29 Wellington Road,
Bilston, Wolverhampton.
WV14 6AH

Date: 25th October, 2001

Ser-tec Systems Limited
Balance Sheet
As at 31st August, 2001

	Notes	2001 £	£	2000 £	£
Fixed Assets					
Tangible assets	10		75,250		89,580
Current Assets					
Stocks	11	39,695		39,538	
Debtors	12	237,252		192,405	
Cash at bank and in hand		26,928		72,622	
		<u>303,875</u>		<u>304,565</u>	
Creditors: amounts falling due within one year	13	<u>(294,428)</u>		<u>(304,388)</u>	
Net Current Assets			<u>9,447</u>		<u>177</u>
Total Assets Less Current Liabilities			<u>84,697</u>		<u>89,757</u>
Creditors: amounts falling due after more than one year	14		<u>(19,451)</u>		<u>(30,117)</u>
Net Assets			<u><u>65,246</u></u>		<u><u>59,640</u></u>
Capital and Reserves					
Called up share capital	16		100		100
Profit and loss account	17		65,146		59,540
Equity Shareholders' Funds	18		<u><u>65,246</u></u>		<u><u>59,640</u></u>
Shareholders' Funds Analysed					
Equity interests			65,246		59,640
Non-equity interests			<u><u>-</u></u>		<u><u>-</u></u>

The Directors' statements overleaf form an integral part of this Balance Sheet.

Ser-tec Systems Limited
Balance Sheet (continued)
For the year ended 31st August, 2001

Directors' statements required by Section 249B(4)

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31st August, 2001 and

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

The abbreviated accounts which have been prepared in accordance with the provisions of Part VII, of the Companies Act 1985 relating to small companies were approved by the board on 25th October, 2001 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, 2001

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 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 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.

1.5 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.

1.6 Stock and work in progress

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

1.7 Pensions

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

1.8 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.

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 2001

2. Turnover

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

3. Operating Profit

	2001	2000
	£	£
Operating Profit is stated after charging:		
Depreciation of tangible assets	27,603	38,586
Loss on disposal of tangible fixed assets	3,227	-
Auditors' remuneration	-	3,113
	<u> </u>	<u> </u>

4. Interest receivable and similar income

	2001	2000
	£	£
Bank interest	2,228	2,894
	<u> </u>	<u> </u>

5. Interest payable and similar charges

	2001	2000
	£	£
Hire purchase interest	3,783	3,313
	<u> </u>	<u> </u>

6. Employees

Number of employees

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

	2001	2000
	Number	Number
Directors	2	2
Staff	12	9
	<u> </u>	<u> </u>
	14	11
	<u> </u>	<u> </u>

Employment costs

	2001	2000
	£	£
Wages and salaries	249,521	184,768
Social security costs	23,001	16,437
Benefit in Kind	31,856	22,208
Other pension costs	12,179	15,351
	<u> </u>	<u> </u>
	316,557	238,764
	<u> </u>	<u> </u>

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 2001

6.1 Directors' emoluments

	2001	2000
	£	£
Remuneration		
Directors' emoluments	54,729	51,207
Benefit in kind	7,275	4,910
	<u>62,004</u>	<u>56,117</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, at 18.1406% (2000 - 20.296%).

	2001	2000
UK current year taxation		
UK Corporation Tax at lower rate of 10% and margin of 22.5% (2000 - 10%)	4,464	14,145
Transfer from deferred taxation	-	-
	<u>4,464</u>	<u>14,145</u>

9. Dividends

	2001	2000
	£	£
Dividends on equity shares:		
Net of any dividend waivers		
Ordinary shares - Final proposed	15,000	40,000
	<u>15,000</u>	<u>40,000</u>

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 2001

10. Tangible assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1st September, 2000	30,116	25,563	140,748	196,427
Additions	-	-	21,500	21,500
Disposals	-	-	(19,500)	(19,500)
At 31st August, 2001	30,116	25,563	142,748	198,427
Depreciation				
At 1st September, 2000	27,699	23,720	55,428	106,847
On disposals	-	-	(11,273)	(11,273)
Charge for the year	2,154	800	24,649	27,603
At 31st August, 2001	29,853	24,520	68,804	123,177
Net book values				
At 31st August, 2001	263	1,043	73,944	75,250
At 31st August, 2000	2,417	1,843	85,320	89,580

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	2001 Net book value £	Depreciation charge £	2000 Net book value £	Depreciation charge £
Motor vehicles Six (Seven)	56,032	18,679	73,250	24,417
	56,032	18,679	73,250	24,417

11. Stocks

	2001 £	2000 £
Raw materials and consumables	3,895	3,663
Work in progress	35,800	35,875
	39,695	39,538
At Directors valuation.		

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 2001

12. Debtors

	2001	2000
	£	£
Trade debtors	236,516	191,669
Prepayments and accrued income	736	736
	<u>237,252</u>	<u>192,405</u>

13. Creditors: amounts falling due within one year

	2001	2000
	£	£
Net obligations under finance leases and hire purchase contracts	19,318	19,575
Trade creditors	171,955	148,740
Corporation tax	4,464	14,145
Other taxes and social security costs	32,006	25,655
Directors' accounts	61,960	93,160
Other creditors	200	-
Accruals and deferred income	4,525	3,113
	<u>294,428</u>	<u>304,388</u>

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

	2001	2000
	£	£
Net obligations under finance leases and hire purchase contracts	19,451	30,117
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	19,318	19,575
Repayable between one and five years	19,451	30,117
	<u>38,769</u>	<u>49,692</u>

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 2001

15. Provisions for liabilities and charges

Deferred tax is provided at 10% (2000 - 10%) analysed over the following timing differences:

	Not provided		Provided	
	2001	2000	2001	2000
	£	£	£	£
Accelerated capital allowances	(1,719)	(1,481)	-	-

Movements on the provision for deferred taxation are:

	2001	2000
	£	£
At 1st September, 2000	-	-
Transferred from profit and loss account	-	-
At 31st August, 2001	-	-

16. Share capital

	2001	2000
	£	£
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, 2001

17. Reserves

	Profit and loss account £	Total £
At 1st September, 2000	59,540	59,540
Profit for the year	5,606	5,606
At 31st August, 2001	<u>65,146</u>	<u>65,146</u>
Equity interests	65,146	65,146
Non-equity interests	-	-

18. Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Profit for the year	20,606	42,505
Dividends	(15,000)	(40,000)
	<u>5,606</u>	<u>2,505</u>
Opening shareholders' funds	59,640	57,135
	<u>65,246</u>	<u>59,640</u>

19. Capital commitments

	2001 £	2000 £
Details of capital commitments at the accounting date are as follows:	-	-