

Company Registration Number: 2027772
Abbreviated Accounts

Ser-tec Systems Limited

Report and Accounts

31st August, 2002



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

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, 2002 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.

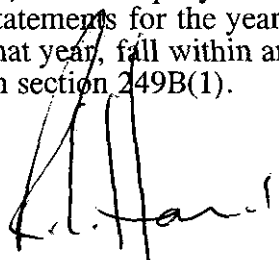
Basis of opinion

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

Richmond House,
29 Wellington Road,
Bilston, Wolverhampton.
WV14 6AH

Date: 25th October, 2002

Ser-tec Systems Limited
Balance Sheet
As at 31st August, 2002

	Notes	2002 £	£	2001 £	£
Fixed Assets					
Tangible assets	10		25,809		75,250
Current Assets					
Stocks	11	22,631		39,695	
Debtors	12	216,663		237,252	
Cash at bank and in hand		133,555		26,928	
		<u>372,849</u>		<u>303,875</u>	
Creditors: amounts falling due within one year	13	<u>(290,394)</u>		<u>(294,428)</u>	
Net Current Assets			<u>82,455</u>		<u>9,447</u>
Total Assets Less Current Liabilities			<u>108,264</u>		<u>84,697</u>
Creditors: amounts falling due after more than one year	14		<u>(911)</u>		<u>(19,451)</u>
Net Assets			<u><u>107,353</u></u>		<u><u>65,246</u></u>
Capital and Reserves					
Called up share capital	16		100		100
Profit and loss account	17		107,253		65,146
Equity Shareholders' Funds	18		<u><u>107,353</u></u>		<u><u>65,246</u></u>
Shareholders' Funds Analysed					
Equity interests			<u>107,353</u>		<u>65,246</u>
Non-equity interests			<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, 2002

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(2) 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, 2002 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, 2002 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, 2002

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 payable under operating leases are charged against income on a straight line basis over the lease term.

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, 2002

3. Operating Profit	2002	2001
	£	£
Operating Profit is stated after charging:		
Depreciation of tangible assets	19,994	27,603
Loss on disposal of tangible fixed assets	7,277	3,227
Operating lease rentals		
- Motor vehicles	2,588	-
	<u> </u>	<u> </u>
and after crediting:		
Profit on disposal of tangible fixed assets	(7,277)	(3,227)
	<u> </u>	<u> </u>
 4. Interest receivable and similar income	 2002	 2001
	£	£
Bank interest	2,363	2,228
	<u> </u>	<u> </u>
 5. Interest payable and similar charges	 2002	 2001
	£	£
Hire purchase interest	2,308	3,783
	<u> </u>	<u> </u>
 6. Employees		
Number of employees		
The average weekly number of employees (including the Directors) during the period were:		
	2002	2001
	Number	Number
Directors	2	2
Staff	12	12
	<u> </u>	<u> </u>
	14	14
	<u> </u>	<u> </u>
 Employment costs	 2002	 2001
	£	£
Wages and salaries	267,893	249,521
Social security costs	24,361	23,001
Benefit in Kind	33,152	31,856
Other pension costs	19,751	12,179
	<u> </u>	<u> </u>
	345,157	316,557
	<u> </u>	<u> </u>

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 2002

6.1 Directors' emoluments

	2002	2001
	£	£
Remuneration		
Directors' emoluments	66,115	54,729
Benefit in kind	5,217	7,275
	<u>71,332</u>	<u>62,004</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 the effective rate of 19.42% (2001 - 18.1406%).

	2002	2001
	£	£
UK current year taxation		
UK Corporation Tax at 19% (2001 - 20%)	15,293	4,464
Transfer from deferred taxation	-	-
	<u>15,293</u>	<u>4,464</u>

9. Dividends

	2002	2001
	£	£
Net of any Dividend Waivers		
Ordinary shares - Final proposed	<u>30,000</u>	<u>15,000</u>

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 2002

10. Tangible assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1st September, 2001	30,116	25,563	142,748	198,427
Additions	-	830	-	830
Disposals	-	-	(80,398)	(80,398)
At 31st August, 2002	30,116	26,393	62,350	118,859
Depreciation				
At 1st September, 2001	29,853	24,520	68,804	123,177
On disposals	-	-	(50,121)	(50,121)
Charge for the year	259	1,247	18,488	19,994
At 31st August, 2002	30,112	25,767	37,171	93,050
Net book values				
At 31st August, 2002	4	626	25,179	25,809
At 31st August, 2001	263	1,043	73,944	75,250

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	2002 Net book value £	Depreciation charge £	2001 Net book value £	Depreciation charge £
Motor vehicles Three (six)	20,123	6,708	56,032	18,679

11. Stocks

	2002 £	2001 £
Raw materials and consumables	3,761	3,895
Work in progress	18,870	35,800
At Directors valuation.	22,631	39,695

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 2002

12. Debtors

	2002	2001
	£	£
Trade debtors	215,927	236,516
Prepayments and accrued income	736	736
	<u>216,663</u>	<u>237,252</u>

13. Creditors: amounts falling due within one year

	2002	2001
	£	£
Net obligations under finance leases and hire purchase contracts	11,766	19,318
Trade creditors	164,416	171,955
Corporation tax	15,293	4,464
Other taxes and social security costs	30,159	32,006
Directors' accounts	64,960	61,960
Other creditors	200	200
Accruals and deferred income	3,600	4,525
	<u>290,394</u>	<u>294,428</u>

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

	2002	2001
	£	£
Net obligations under finance leases and hire purchase contracts	911	19,451
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	11,766	19,318
Repayable between one and five years	911	19,451
	<u>12,677</u>	<u>38,769</u>

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 2002

15. Provisions for liabilities and charges

Deferred tax is provided at 19% (2001 - 20%) analysed over the following timing differences:

	Not provided		Provided	
	2002	2001	2002	2001
	£	£	£	£
Accelerated capital allowances	(2,598)	(1,719)	-	-

Movements on the provision for deferred taxation are:

	2002	2001
	£	£
At 1st September, 2001	-	-
Transferred from profit and loss account	-	-
At 31st August, 2002	-	-

16. Share capital

	2002	2001
	£	£
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>1,000</u>	<u>1,000</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>100</u>	<u>100</u>

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 2002

17. Reserves

	Profit and loss account £	Total £
At 1st September, 2001	65,146	65,146
for the year	42,107	42,107
At 31st August, 2002	<u>107,253</u>	<u>107,253</u>
Equity interests	107,253	107,253
Non-equity interests	-	-

18. Reconciliation of movements in shareholders' funds

	2002 £	2001 £
Profit for the year	72,107	20,606
Dividends	(30,000)	(15,000)
	<u>42,107</u>	<u>5,606</u>
Opening shareholders' funds	65,246	59,640
	<u>107,353</u>	<u>65,246</u>

19. Financial commitments

At 31st August, 2002 the company had annual commitments under non-cancellable operating leases as follows:

	Other 2002 £	2001 £
Expiry date:		
Within one year	2,724	-
Between two and five years	3,178	-
	<u>5,902</u>	<u>-</u>

20. Capital commitments

	2002 £	2001 £
Details of capital commitments at the accounting date are as follows:	-	-