

Company Registration Number: 2027772  
Abbreviated Accounts

Ser-tec Systems Limited

Report and Accounts

31st August, 2003



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

## **Ser-tec Systems Limited**

### **Company Information**

|                          |                                                                                               |
|--------------------------|-----------------------------------------------------------------------------------------------|
| <b>Directors</b>         | I. Sprott<br>S.J. Sprott                                                                      |
| <b>Secretary</b>         | S.J. Sprott                                                                                   |
| <b>Company Number</b>    | 2027772<br>Registered in England and Wales                                                    |
| <b>Registered Office</b> | Home Farm,<br>Stock Green,<br>Redditch,<br>B96 6TA.                                           |
| <b>Accountants</b>       | Harris & Co.<br>Richmond House,<br>29 Wellington Road,<br>Bilston, Wolverhampton.<br>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, 2003 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.

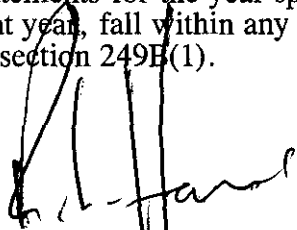
#### **Basis of opinion**

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: 14th November, 2003

**Ser-tec Systems Limited**  
**Balance Sheet**  
**As at 31st August, 2003**

|                                                                | Notes | 2003<br>£        | £                     | 2002<br>£        | £                     |
|----------------------------------------------------------------|-------|------------------|-----------------------|------------------|-----------------------|
| <b>Fixed Assets</b>                                            |       |                  |                       |                  |                       |
| Tangible assets                                                | 10    |                  | 15,837                |                  | 25,809                |
| <b>Current Assets</b>                                          |       |                  |                       |                  |                       |
| Stocks                                                         | 11    | 24,254           |                       | 22,631           |                       |
| Debtors                                                        | 12    | 231,348          |                       | 216,663          |                       |
| Cash at bank and in hand                                       |       | 92,248           |                       | 133,555          |                       |
|                                                                |       | <u>347,850</u>   |                       | <u>372,849</u>   |                       |
| <b>Creditors: amounts falling due within one year</b>          | 13    | <u>(235,390)</u> |                       | <u>(290,394)</u> |                       |
| <b>Net Current Assets</b>                                      |       |                  | <u>112,460</u>        |                  | <u>82,455</u>         |
| <b>Total Assets Less Current Liabilities</b>                   |       |                  | <u>128,297</u>        |                  | <u>108,264</u>        |
| <b>Creditors: amounts falling due after more than one year</b> | 14    |                  | -                     |                  | (911)                 |
| <b>Net Assets</b>                                              |       |                  | <u><u>128,297</u></u> |                  | <u><u>107,353</u></u> |
| <b>Capital and Reserves</b>                                    |       |                  |                       |                  |                       |
| Called up share capital                                        | 16    |                  | 100                   |                  | 100                   |
| Profit and loss account                                        | 17    |                  | 128,197               |                  | 107,253               |
| <b>Equity Shareholders' Funds</b>                              | 18    |                  | <u><u>128,297</u></u> |                  | <u><u>107,353</u></u> |
| <b>Shareholders' Funds Analysed</b>                            |       |                  |                       |                  |                       |
| Equity interests                                               |       |                  | <u><u>128,297</u></u> |                  | <u><u>107,353</u></u> |
| 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, 2003**

**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, 2003 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 14th November, 2003 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, 2003**

**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 - 15% reducing balance

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, 2003**

| <b>3. Operating Profit</b>                  | <b>2003</b>       | <b>2002</b>       |
|---------------------------------------------|-------------------|-------------------|
|                                             | <b>£</b>          | <b>£</b>          |
| Operating Profit is stated after charging:  |                   |                   |
| Depreciation of tangible assets             | 6,611             | 19,994            |
| Loss on disposal of tangible fixed assets   | 1,292             | 7,277             |
| Operating lease rentals                     |                   |                   |
| - Motor vehicles                            | 10,539            | 2,588             |
|                                             | <u>          </u> | <u>          </u> |
| and after crediting:                        |                   |                   |
| Profit on disposal of tangible fixed assets | (1,292)           | (7,277)           |
|                                             | <u>          </u> | <u>          </u> |

| <b>4. Interest receivable and similar income</b> | <b>2003</b>       | <b>2002</b>       |
|--------------------------------------------------|-------------------|-------------------|
|                                                  | <b>£</b>          | <b>£</b>          |
| Bank interest                                    | 3,464             | 2,363             |
|                                                  | <u>          </u> | <u>          </u> |

| <b>5. Interest payable and similar charges</b> | <b>2003</b>       | <b>2002</b>       |
|------------------------------------------------|-------------------|-------------------|
|                                                | <b>£</b>          | <b>£</b>          |
| Hire purchase interest                         | 203               | 2,308             |
|                                                | <u>          </u> | <u>          </u> |

**6. Employees**

**Number of employees**

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

|           | <b>2003</b>   | <b>2002</b>   |
|-----------|---------------|---------------|
|           | <b>Number</b> | <b>Number</b> |
| Directors | 2             | 2             |
| Staff     | 12            | 12            |
|           | <u>      </u> | <u>      </u> |
|           | 14            | 14            |
|           | <u>      </u> | <u>      </u> |

| <b>Employment costs</b> | <b>2003</b>       | <b>2002</b>       |
|-------------------------|-------------------|-------------------|
|                         | <b>£</b>          | <b>£</b>          |
| Wages and salaries      | 280,103           | 267,893           |
| Social security costs   | 26,880            | 24,361            |
| Benefit in Kind         | 33,152            | 31,856            |
| Other pension costs     | 14,807            | 19,751            |
|                         | <u>          </u> | <u>          </u> |
|                         | 354,942           | 343,861           |
|                         | <u>          </u> | <u>          </u> |

**Ser-tec Systems Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st August, 2003**

**6.1 Directors' emoluments**

|                       | <b>2003</b>   | <b>2002</b>   |
|-----------------------|---------------|---------------|
|                       | <b>£</b>      | <b>£</b>      |
| <b>Remuneration</b>   |               |               |
| Directors' emoluments | 72,163        | 66,115        |
| Benefit in kind       | 5,217         | 7,275         |
|                       | <u>77,380</u> | <u>73,390</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% (2002 - 19.42%).

|                                        | <b>2003</b>   | <b>2002</b>   |
|----------------------------------------|---------------|---------------|
|                                        | <b>£</b>      | <b>£</b>      |
| <b>UK current year taxation</b>        |               |               |
| UK Corporation Tax at 19% (2002 - 19%) | 12,553        | 15,293        |
|                                        | <u>12,553</u> | <u>15,293</u> |
| <b>Prior years</b>                     |               |               |
| UK Corporation Tax                     | 1,552         | -             |
| Transfer from deferred taxation        | -             | -             |
|                                        | <u>14,105</u> | <u>15,293</u> |

**9. Dividends**

|                                  | <b>2003</b>   | <b>2002</b>   |
|----------------------------------|---------------|---------------|
|                                  | <b>£</b>      | <b>£</b>      |
| Net of any Dividend Waivers      |               |               |
| Ordinary shares - Final proposed | <u>32,000</u> | <u>30,000</u> |

**Ser-tec Systems Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st August, 2003**

**10. Tangible assets**

|                        | <b>Plant and<br/>machinery</b> | <b>Fixtures,<br/>fittings &amp;<br/>equipment</b> | <b>Motor<br/>vehicles</b> | <b>Total</b> |
|------------------------|--------------------------------|---------------------------------------------------|---------------------------|--------------|
|                        | £                              | £                                                 | £                         | £            |
| <b>Cost</b>            |                                |                                                   |                           |              |
| At 1st September, 2002 | 30,116                         | 26,392                                            | 62,350                    | 118,858      |
| Additions              | -                              | 432                                               | -                         | 432          |
| Disposals              | -                              | -                                                 | (14,650)                  | (14,650)     |
| At 31st August, 2003   | 30,116                         | 26,824                                            | 47,700                    | 104,640      |
| <b>Depreciation</b>    |                                |                                                   |                           |              |
| At 1st September, 2002 | 30,112                         | 25,767                                            | 37,171                    | 93,050       |
| On disposals           | -                              | -                                                 | (10,858)                  | (10,858)     |
| Charge for the year    | -                              | 316                                               | 6,295                     | 6,611        |
| At 31st August, 2003   | 30,112                         | 26,083                                            | 32,608                    | 88,803       |
| <b>Net book values</b> |                                |                                                   |                           |              |
| At 31st August, 2003   | 4                              | 741                                               | 15,092                    | 15,837       |
| At 31st August, 2002   | 4                              | 625                                               | 25,179                    | 25,808       |

**11. Stocks**

|                               | <b>2003<br/>£</b> | <b>2002<br/>£</b> |
|-------------------------------|-------------------|-------------------|
| Raw materials and consumables | 3,429             | 3,761             |
| Work in progress              | 20,825            | 18,870            |
|                               | 24,254            | 22,631            |
| At Directors valuation.       |                   |                   |

**12. Debtors**

|                                | <b>2003<br/>£</b> | <b>2002<br/>£</b> |
|--------------------------------|-------------------|-------------------|
| Trade debtors                  | 221,449           | 215,927           |
| Other debtors                  | 9,213             | -                 |
| Prepayments and accrued income | 686               | 736               |
|                                | 231,348           | 216,663           |

**Ser-tec Systems Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st August, 2003**

| <b>13. Creditors: amounts falling due within one year</b>        | <b>2003<br/>£</b> | <b>2002<br/>£</b> |
|------------------------------------------------------------------|-------------------|-------------------|
| Net obligations under finance leases and hire purchase contracts | -                 | 11,766            |
| Trade creditors                                                  | 123,863           | 164,416           |
| Corporation tax                                                  | 12,553            | 15,293            |
| Other taxes and social security costs                            | 28,851            | 30,159            |
| Directors' accounts                                              | 66,323            | 64,960            |
| Other creditors                                                  | 200               | 200               |
| Accruals and deferred income                                     | 3,600             | 3,600             |
|                                                                  | <u>235,390</u>    | <u>290,394</u>    |

| <b>14. Creditors: amounts falling due after more than one year</b>      | <b>2003<br/>£</b> | <b>2002<br/>£</b> |
|-------------------------------------------------------------------------|-------------------|-------------------|
| Net obligations under finance leases and hire purchase contracts        | -                 | 911               |
|                                                                         | <u>-</u>          | <u>911</u>        |
| <b>Net obligations under finance leases and hire purchase contracts</b> |                   |                   |
| Repayable within one year                                               | -                 | 11,766            |
| Repayable between one and five years                                    | -                 | 911               |
|                                                                         | <u>-</u>          | <u>12,677</u>     |

**15. Provisions for liabilities and charges**

Deferred tax is provided at 19% (2002 - 19%) analysed over the following timing differences:

|                                | <b>Not provided<br/>2003<br/>£</b> | <b>2002<br/>£</b> | <b>Provided<br/>2003<br/>£</b> | <b>2002<br/>£</b> |
|--------------------------------|------------------------------------|-------------------|--------------------------------|-------------------|
| Accelerated capital allowances | <u>(2,105)</u>                     | <u>(2,598)</u>    | <u>-</u>                       | <u>-</u>          |

Movements on the provision for deferred taxation are:

|                                          | <b>2003<br/>£</b> | <b>2002<br/>£</b> |
|------------------------------------------|-------------------|-------------------|
| <b>At 1st September, 2002</b>            | -                 | -                 |
| Transferred from profit and loss account | -                 | -                 |
|                                          | <u>-</u>          | <u>-</u>          |
| <b>At 31st August, 2003</b>              | <u>-</u>          | <u>-</u>          |

**Ser-tec Systems Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st August, 2003**

|                                                               |                                |                       |
|---------------------------------------------------------------|--------------------------------|-----------------------|
| <b>16. Share capital</b>                                      | <b>2003</b>                    | <b>2002</b>           |
|                                                               | <b>£</b>                       | <b>£</b>              |
| <b>Authorised</b>                                             |                                |                       |
| 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>       |
| <b>Allotted, called up and fully paid equity</b>              |                                |                       |
| 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>       |
| <b>17. Reserves</b>                                           | <b>Profit and loss account</b> | <b>Total</b>          |
|                                                               | <b>£</b>                       | <b>£</b>              |
| <b>At 1st September, 2002</b>                                 | 107,253                        | 107,253               |
| for the year                                                  | 20,944                         | 20,944                |
|                                                               | <u>128,197</u>                 | <u>128,197</u>        |
| <b>At 31st August, 2003</b>                                   | <u><u>128,197</u></u>          | <u><u>128,197</u></u> |
| Equity interests                                              | 128,197                        | 128,197               |
| Non-equity interests                                          | -                              | -                     |
|                                                               | <u><u>-</u></u>                | <u><u>-</u></u>       |
| <b>18. Reconciliation of movements in shareholders' funds</b> | <b>2003</b>                    | <b>2002</b>           |
|                                                               | <b>£</b>                       | <b>£</b>              |
| Profit for the year                                           | 52,944                         | 72,107                |
| Dividends                                                     | (32,000)                       | (30,000)              |
|                                                               | <u>20,944</u>                  | <u>42,107</u>         |
| Opening shareholders' funds                                   | 107,353                        | 65,246                |
|                                                               | <u>128,297</u>                 | <u>107,353</u>        |
|                                                               | <u><u>128,297</u></u>          | <u><u>107,353</u></u> |

**Ser-tec Systems Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st August, 2003**

**19. Financial commitments**

At 31st August, 2003 the company had annual commitments under non-cancellable operating leases as follows:

|                            | <b>Other<br/>2003<br/>£</b> | <b>2002<br/>£</b> |
|----------------------------|-----------------------------|-------------------|
| <b>Expiry date:</b>        |                             |                   |
| Within one year            | 8,225                       | 2,724             |
| Between two and five years | 17,314                      | 3,178             |
|                            | <u>25,539</u>               | <u>5,902</u>      |

**20. Capital commitments**

|                                                                       | <b>2003<br/>£</b> | <b>2002<br/>£</b> |
|-----------------------------------------------------------------------|-------------------|-------------------|
| Details of capital commitments at the accounting date are as follows: | -                 | -                 |
|                                                                       | <u>-</u>          | <u>-</u>          |