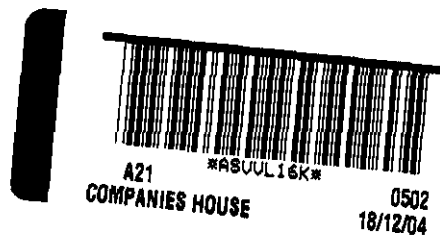


Company Registration Number: 2027772
Abbreviated Accounts

Ser-tec Systems Limited

Report and Accounts

31st August, 2004



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, 2004 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

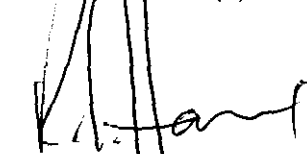
In our opinion:

(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: 3rd December, 2004

Ser-tec Systems Limited
Balance Sheet
As at 31st August, 2004

	Notes	2004 £	£	2003 £	£
Fixed Assets					
Tangible assets	10		35,904		15,837
Current Assets					
Stocks	11	12,332		24,254	
Debtors	12	218,772		231,348	
Cash at bank and in hand		135,796		92,248	
		<u>366,900</u>		<u>347,850</u>	
Creditors: amounts falling due within one year	13	<u>(235,767)</u>		<u>(235,390)</u>	
Net Current Assets			<u>131,133</u>		<u>112,460</u>
Total Assets Less Current Liabilities			<u>167,037</u>		<u>128,297</u>
Capital and Reserves					
Called up share capital	15		100		100
Profit and loss account	16		166,937		128,197
Equity Shareholders' Funds	17		<u>167,037</u>		<u>128,297</u>
Shareholders' Funds Analysed					
Equity interests			167,037		128,297
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, 2004

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, 2004 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 3rd December, 2004 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, 2004

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

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, 2004

3. Operating Profit	2004	2003
	£	£
Operating Profit is stated after charging:		
Depreciation of tangible assets	8,488	6,611
Loss on disposal of tangible fixed assets	7,392	1,292
Operating lease rentals		
- Motor vehicles	10,971	10,539
	<u> </u>	<u> </u>
and after crediting:		
Profit on disposal of tangible fixed assets	(7,392)	(1,292)
	<u> </u>	<u> </u>

4. Interest receivable and similar income	2004	2003
	£	£
Bank interest	2,323	3,464
	<u> </u>	<u> </u>

5. Interest payable and similar charges	2004	2003
	£	£
Hire purchase interest	-	203
	<u> </u>	<u> </u>

6. Employees

Number of employees

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

	2004	2003
	Number	Number
Directors	2	2
Staff	12	12
	<u> </u>	<u> </u>
	14	14
	<u> </u>	<u> </u>

Employment costs	2004	2003
	£	£
Wages and salaries	292,513	280,103
Social security costs	29,709	26,880
Benefit in Kind	23,656	33,152
Other pension costs	19,405	14,807
	<u> </u>	<u> </u>
	365,283	354,942
	<u> </u>	<u> </u>

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 2004

6.1 Directors' emoluments

	2004 £	2003 £
Remuneration		
Directors' emoluments	75,503	72,163
Benefit in kind	-	5,217
	<u>75,503</u>	<u>77,380</u>

7. Pension costs

The scheme is an approved defined contribution scheme. The assets of which are kept in a separate fund. There was a payment of £200 to be paid to the pension at the year end.

8. Taxation

The corporation tax charge is based on the adjusted results for the year, at the effective rate of 19% (2003 - 19%).

	2004 £	2003 £
UK current year taxation		
UK Corporation Tax at 19% (2003 - 19%)	20,051	12,553
	<u>20,051</u>	<u>12,553</u>
Prior years		
UK Corporation Tax	-	1,552
Transfer from deferred taxation	-	-
	<u>20,051</u>	<u>14,105</u>

9. Dividends

	2004 £	2003 £
Dividends on equity shares:		
Net of any Dividend Waivers		
Ordinary shares - Interim paid	50,000	-
Ordinary shares - Final proposed	-	32,000
	<u>50,000</u>	<u>32,000</u>

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 2004

10. Tangible assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1st September, 2003	30,116	26,824	47,700	104,640
Additions	-	514	43,133	43,647
Disposals	-	-	(47,700)	(47,700)
At 31st August, 2004	30,116	27,338	43,133	100,587
Depreciation				
At 1st September, 2003	30,112	26,083	32,608	88,803
On disposals	-	-	(32,608)	(32,608)
Charge for the year	-	316	8,172	8,488
At 31st August, 2004	30,112	26,399	8,172	64,683
Net book values				
At 31st August, 2004	4	939	34,961	35,904
At 31st August, 2003	4	741	15,092	15,837

11. Stocks

	2004 £	2003 £
Raw materials and consumables	3,217	3,429
Work in progress	9,115	20,825
	12,332	24,254
At Directors valuation.		

12. Debtors

	2004 £	2003 £
Trade debtors	208,898	221,449
Other debtors	9,213	9,213
Prepayments and accrued income	661	686
	218,772	231,348

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 2004

13. Creditors: amounts falling due within one year	2004	2003
	£	£
Trade creditors	142,061	123,863
Corporation tax	20,051	12,553
Other taxes and social security costs	33,073	28,851
Directors' accounts	34,923	66,323
Other creditors	1,684	200
Accruals and deferred income	3,975	3,600
	<u>235,767</u>	<u>235,390</u>

14. Provisions for liabilities and charges

Deferred tax is provided at 19% (2003 - 19%) analysed over the following timing differences:

	Not provided		Provided	
	2004	2003	2004	2003
	£	£	£	£
Accelerated capital allowances	<u>(523)</u>	<u>(2,105)</u>	<u>-</u>	<u>-</u>

Movements on the provision for deferred taxation are:

At 1st September, 2003	-	-
Transferred from profit and loss account	-	-
	<u>-</u>	<u>-</u>
At 31st August, 2004	<u>-</u>	<u>-</u>

15. Share capital	2004	2003
	£	£
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, 2004

16. Reserves

	Profit and loss account £	Total £
At 1st September, 2003	128, 197	128, 197
Issue of shares	-	-
Profit for the year	38, 740	38, 740
At 31st August, 2004	<u>166, 937</u>	<u>166, 937</u>
Equity interests	166, 937	166, 937
Non-equity interests	-	-
	<u>166, 937</u>	<u>166, 937</u>

17. Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Profit for the year	88, 740	52, 944
Dividends	(50, 000)	(32, 000)
	<u>38, 740</u>	<u>20, 944</u>
Net proceeds of equity share issue	-	-
	<u>38, 740</u>	<u>20, 944</u>
Net shareholders' funds	128, 297	107, 353
Opening shareholders' funds	<u>167, 037</u>	<u>128, 297</u>

18. Financial commitments

At 31st August, 2004 the company had annual commitments under non-cancellable operating leases as follows:

	Other 2004 £	2003 £
Expiry date:		
Within one year	10, 931	8, 225
Between two and five years	5, 824	17, 314
	<u>16, 755</u>	<u>25, 539</u>

Ser-tec Systems Limited
Notes to the Financial Statements
For the year ended 31st August, 2004

19. Capital commitments

	2004	2003
	£	£
Details of capital commitments at the accounting date are as follows:	-	-
	<u> </u>	<u> </u>