COMPANIES HOUSE

S.R.A. Developments Limited

Annual Report

Year Ended 31 March 2002

Company Registration Number 01385171

ATUGJDLU 0588
A13
COMPANIES HOUSE 23/08/02

S.R.A. Developments Limited

Financial Statements

Year Ended 31 March 2002

Contents	Page
Directors' Report	1
Profit and Loss Account	2
Balance Sheet	3
Notes to the Financial Statements	4
The following pages do not form part of the financial statements	
Accountants' Report to the Directors	11
Detailed Profit and Loss Account	12
Notes to the Detailed Profit and Loss Account	13

S.R.A. Developments Limited

Directors' Report

Year Ended 31 March 2002

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 31 March 2002.

Principal Activities

The principal activity of the company during the year continued to be that of the development and production of ultrasonic generators and cutting equipment and consultancy.

The Directors and their Interests in Shares of the Company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 March 2002	At 1 April 2001
Dr M J R Young	**35,049**	49
Mrs H L Young	**10,024**	24
Mrs D L Young	**3**	3
Dr S M R Young	**8**	8
Mr R J R Young	**8**	8

Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed by order of the directors

Mrs H L Young
Company Secretary

S.R.A. Developments Limited

Profit and Loss Account

Year Ended 31 March 2002

	Note	2002 £	2001 £
Turnover		**890,269**	1,017,234
Cost of sales		**(713,703)**	(823,050)
Gross Profit		**176,566**	194,184
Distribution Costs		**(16,785)**	(17,682)
Administrative expenses		**(136,217)**	(105,717)
Operating Profit	2	**23,564**	70,785
Interest receivable		**316**	-
Interest payable and similar charges		**(8,782)**	(6,955)
Profit on Ordinary Activities Before Taxation		**15,098**	63,830
Tax on profit on ordinary activities	3	**(2,766)**	(2,212)
Retained Profit for the Financial Year		**12,332**	61,618

S.R.A. Developments Limited

Balance Sheet

31 March 2002

	Note	2002 £	2001 £
Fixed Assets			
Intangible assets	4	**59,903**	50,610
Tangible assets	5	**195,893**	229,266
		255,796	279,876
Current Assets			
Stocks		**89,123**	59,057
Debtors	6	**323,923**	254,671
Cash in hand		**57**	20
		413,103	313,748
Creditors: Amounts falling due within one year	7	**(270,819)**	(233,093)
Net Current Assets		**142,284**	80,655
Total Assets Less Current Liabilities		**398,080**	360,531
Creditors: Amounts falling due after more than one year	8	**(20,622)**	(40,065)
		377,458	320,466
Provisions for Liabilities and Charges			
Deferred taxation	9	**(21,010)**	(21,350)
		356,448	299,116
Capital and Reserves			
Called-up equity share capital	11	**45,100**	100
Profit and loss account	12	**311,348**	299,016
Shareholders' Funds		**356,448**	299,116

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

(i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and

(ii) 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 financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the .....6/8/02....., and were signed on their behalf by:

.....

Dr M J R Young

1. Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

The turnover shown in the Profit and Loss Account represents amounts invoiced during the year, exclusive of Value Added Tax.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Patents	-	25% Reducing balance

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	4% Straight line
Plant & equipment	-	33.3% and 15% Straight line

In previous years plant and equipment has been depreciated on a 15% reducing balance basis.

However the directors believe that the new methods used to calculate plant and equipment depreciation are more appropriate to the useful economic lives of the assets.

This change has resulted in an increase in the depreciation charge shown in the accounts of £18,212.

Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

1. Accounting Policies *(continued)*

Deferred taxation

Deferred tax is recognized in respect of timing differences between the treatment of certain items for taxation and accounting purposes which have occurred but not reversed by the balance sheet date.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

2. Operating Profit

Operating profit is stated after charging:

	2002 £	2001 £
Directors' emoluments	**47,277**	55,122
Amortisation	**14,993**	16,432
Depreciation	**43,586**	22,829
Auditors' fees	**-**	1,800

The change for depreciation is £18,212 higher this year as a result of the change in the rate of depreciation on plant and machinery.

3. Tax on Profit on Ordinary Activities

	2002 £	2001 £
Corporation tax based on the results for the year at 20% (2001 - 20%)	**3,106**	(7,788)
(Decrease)/Increase in deferred tax provision **(Note 9)**:		
Capital allowances	**(340)**	10,000
	2,766	2,212

4. Intangible Fixed Assets

	Patents £
Cost	
At 1 April 2001	99,485
Additions	24,286
At 31 March 2002	**123,771**
Amortisation	
At 1 April 2001	48,875
Charge for the year	14,993
At 31 March 2002	**63,868**
Net Book Value	
At 31 March 2002	**59,903**
At 31 March 2001	50,610

5. Tangible Fixed Assets

	Leasehold Property £	Plant & Equipment £	Total £
Cost			
At 1 April 2001	101,686	222,167	323,853
Additions	4,427	5,786	10,213
At 31 March 2002	**106,113**	**227,953**	**334,066**
Depreciation			
At 1 April 2001	12,004	82,583	94,587
Charge for the year	4,135	39,451	43,586
At 31 March 2002	**16,139**	**122,034**	**138,173**
Net Book Value			
At 31 March 2002	**89,974**	**105,919**	**195,893**
At 31 March 2001	89,682	139,584	229,266

Hire purchase agreements
Included within the net book value of £195,893 is £32,734 (2001 - £39,748) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £7,014 (2001 - £7,014).

6. Debtors

	2002 £	2001 £
Trade debtors	**208,454**	183,712
Amounts owed by related undertakings	**90,743**	60,805
Corporation tax repayable	**-**	7,788
Prepayments and accrued income	**24,726**	2,366
	323,923	254,671

7. Creditors: Amounts falling due within one year

	2002 £	2001 £
Bank loans and overdrafts	**75,353**	36,356
Trade creditors	**75,768**	103,216
Amounts owed to related undertakings	**26,950**	17,625
Other creditors including taxation and social security:		
Corporation tax	**3,106**	-
PAYE and social security	**8,745**	8,089
VAT	**27,923**	45,876
Hire purchase agreements	**11,690**	11,690
Directors current accounts	**34,244**	4,334
Accruals and deferred income	**7,040**	5,907
	270,819	233,093

Security has been given by the company in respect of £87,043 (2001 - £48,046) of the above creditors.

8. Creditors: Amounts falling due after more than one year

	2002 £	2001 £
Bank loans and overdrafts	**7,957**	15,710
Hire purchase agreements	**12,665**	24,355
	20,622	40,065

Security has been given in respect of £20,622 (2001 - £40,065) of the above creditors.

9. Deferred Taxation

	2002 £	2001 £
The movement in the deferred taxation provision during the year was:		
Provision brought forward	**21,350**	11,350
(Decrease)/increase in provision	**(340)**	10,000
Provision carried forward	**21,010**	21,350

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2002 £	2001 £
Excess of taxation allowances over depreciation on fixed assets	**21,010**	21,350

10. Related Party Transactions

(a) The company is under the control of its directors.

(b) The related undertakings disclosed in notes 6 and 7 are Orthosonics Limited and Sonicut Limited.

(c) During the year the company had the following transactions with Orthosonics Limited a company in which M J R Young, a director of the company, has an interest:

Sales £796,510

(d) During the year the company had the following transactions with Sonicut Limited, a company in which M J R Young and H L Young have an interest:

Purchase of consultancy services £35,000

(e) At the year end date the amount due to the company by Orthosonics Limited was £90,743 and the amount due to Sonicut Limited was £26,950

(f) The company occupies premises owned by M J R Young and Mrs H L Young. No rent is paid by the company.

(g) The bank overdraft is subject to personal guarantees given by M J R and H L Young, directors of the company.

11. Share Capital

Authorised share capital:

	2002 £	2001 £
Equity shares		
45,500 Ordinary shares of £1.00 each	**45,500**	500

Allotted, called up and fully paid:

	2002 £	2001 £
Ordinary share capital brought forward	**100**	100
Issue of ordinary shares	**45,000**	-
	45,100	100

During the year the authorised share capital of the company was increased by special resolution to £45,500. 45,000 shares were issued as par.

12. Profit and Loss Account

	2002 £	2001 £
Balance brought forward	**299,016**	237,398
Retained profit for the financial year	**12,332**	61,618
Balance carried forward	**311,348**	299,016