

SILVERDELL MICROBIOLOGY LIMITED

Company No: 2605549

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MAY 1995



SILVERDELL MICROBIOLOGY LIMITED

DIRECTOR

A.D. Watts

SECRETARY

V.A. Watts

REGISTERED OFFICE

Liverpool Victoria House  
91/99 New London Road  
Chelmsford  
Essex CM2 0PP

AUDITORS

Fraser Russell  
Chartered Accountants  
Liverpool Victoria House  
91/99 New London Road  
Chelmsford, Essex.

PRINCIPAL BANKERS

National Westminster Bank plc  
100 The Crescent  
Colchester Business Park  
Colchester  
Essex CO4 4YQ

SILVERDELL MICROBIOLOGY LIMITED

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FOR THE YEAR ENDED 31 MAY 1995

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## SILVERDELL MICROBIOLOGY LIMITED

### REPORT OF THE DIRECTOR

The director presents his report and the audited financial statements for the year ended 31 May 1995.

#### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

We continue to make progress by increasing our turnover by approximately 50% which is reflected in a substantial increase in profitability and net worth, which progress is due to an excellent all round team effort combined with an impressive list of new accounts involving brand name companies.

Our NAMAS accreditation, testing number 1444, as well as our MAFF authorisation, testing No. PAPO/L/159, have assisted us in gaining market share, where we offer clients an excellent all round professional service combined with 'value for money'. Our laboratory staff, ably led by our Principal Microbiologist Garry Mills, AIBMS, continue to receive excellent results in their participation in external QA Schemes organised by both the PHLS and MAFF. Their involvement in these schemes enhances the technical staffs' professionalism and their overall technical excellence in the services we provide and assists in meeting ongoing training needs for NAMAS purposes.

We are now consolidating and hope to expand our services to Local Authorities and similar entities where we are applying to or have applied to become authorised contractors/consultants, and this should lead to more business on a tender basis. We still aggressively advertise our services in a number of trade journals involving segments interested in our services. As such we have budgeted for a further increase in turnover this year, which could lead to more job opportunities. We are continuing to enter for a number of small business awards which may augment our profile in the market place.

We continue to receive able advice from our professional advisors, namely our accountants Fraser Russell, Chelmsford Office, and our bankers, National Westminster Bank PLC, Colchester Business Centre.

We will continue to concentrate in those areas in which we are familiar and have the expertise.

#### DIVIDEND AND TRANSFER TO RESERVES

The director has accrued a dividend amounting to £375, in accordance with the rights attaching to certain classes of shares as set out in the note on share capital.

It is proposed that the retained profit of £12,192 is transferred to reserves.

#### FIXED ASSETS

Full disclosure of all matters relating to fixed assets is set out in the notes to the financial statements.

# SILVERDELL MICROBIOLOGY LIMITED

## REPORT OF THE DIRECTOR (Continued)

### DIRECTOR AND HIS INTERESTS

The director at the balance sheet date and his interests in the company at that date and at the beginning of the year , were as follows:

	<u>Class of share</u>	<u>Number of shares</u>	
		<u>1995</u>	<u>1994</u>
A.D. Watts	Ordinary shares	15,999	15,999
	Preference shares	30,000	-

### DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### CLOSE COMPANY

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

### AUDITORS

The auditors, Fraser Russell, are willing to be reappointed in accordance with section 385 of the Companies Act 1985.

By Order of the Board

Date: 28 June 1995

X V Watts  
Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS OF  
SILVERDELL MICROBIOLOGY LIMITED

We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention and the accounting policies set out in note 1 to the financial statements.

**Respective responsibilities of the director and auditors**

As described on the Director's Report the company director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

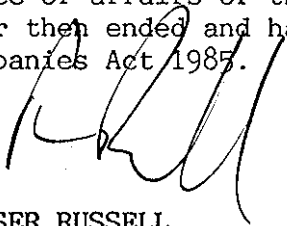
**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 May 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



FRASER RUSSELL  
Chartered Accountants  
Registered Auditors

Date: 28 June 1995

Liverpool Victoria House  
91/99 New London Road  
Chelmsford, Essex.

SILVERDELL MICROBIOLOGY LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MAY 1995

	Notes	1995 £	1994 £
TURNOVER		136,870	92,078
Cost of sales		(54,118)	(37,042)
GROSS PROFIT		82,752	55,036
Administrative expenses		(68,809)	(51,349)
OPERATING PROFIT	2	13,943	3,687
Interest payable	3	(1,376)	(591)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		12,567	3,096
Tax on profit on ordinary activities	5	-	-
PROFIT FOR THE FINANCIAL YEAR		12,567	3,096
Dividends including non-equity interests	6	(375)	-
RETAINED PROFIT FOR THE YEAR	14	12,192	3,096

None of the company's activities were acquired or discontinued during the above two financial years.

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 6 to 13 form part of these financial statements.

SILVERDELL MICROBIOLOGY LIMITED

BALANCE SHEET  
AT 31 MAY 1995

	Notes	£	1995 £	£	1994 £
<b>FIXED ASSETS</b>					
Tangible assets	7		49,974		32,846
<b>CURRENT ASSETS</b>					
Stocks	8	13,632		8,863	
Debtors	9	37,275		21,091	
		<u>50,907</u>		<u>29,954</u>	
CREDITORS: Amounts falling due within one year	10	(31,179)		(14,355)	
<b>NET CURRENT ASSETS</b>			<u>19,728</u>		<u>15,599</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			69,702		48,445
CREDITORS: Amounts falling due after more than one year	11		(21,939)		(42,875)
			<u>47,763</u>		<u>5,570</u>
<b>CAPITAL AND RESERVES INCLUDING NON-EQUITY INTERESTS</b>					
Called up share capital	13		50,000		20,000
Profit and loss account	14		(2,237)		(14,430)
			<u>47,763</u>		<u>5,570</u>

The financial statements were approved  
by the board on 28 June 1995 and  
signed on its behalf by

✕  
A.D. Watts

X  
Director

The notes on pages 6 to 13 form part of these financial statements.



## SILVERDELL MICROBIOLOGY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1995

#### 1. ACCOUNTING POLICIES

##### 1.1 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

##### 1.2 TURNOVER

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

##### 1.3 DEPRECIATION

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:-

Leasehold properties	Straight line over the life of the lease
Plant and machinery	15% per annum on cost
Fixtures and fittings	15% per annum on cost
Motor vehicles	25% per annum on reducing balance

##### 1.4 STOCKS

Stocks are valued at the lower of cost and net realisable value. Cost is calculated as follows:

Raw materials	- cost of purchase on first in, first out basis
Work in progress	- cost of raw materials and labour together with attributable overheads.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

##### 1.5 DEFERRED TAXATION

Provision is made by the liability method on all net adverse timing differences which are expected to be reversed in the foreseeable future.

##### 1.6 LEASING AND HIRE PURCHASE

Assets acquired under finance leases or hire purchase contracts are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Finance charges and interest are taken to the profit and loss account in constant proportion to the remaining balance of capital repayments or net obligations outstanding.

##### 1.7 DIVIDENDS

Dividends due on cumulative preference shares are provided for on a time accrued basis.

SILVERDELL MICROBIOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 1995

2.	OPERATING PROFIT	1995 £	1994 £
	The operating profit is stated after charging:-		
	Depreciation	7,556	4,954
	Auditors' remuneration	750	750
		<u>7,556</u>	<u>4,954</u>
3.	INTEREST PAYABLE	1995 £	1994 £
	On bank loans and overdrafts and on loans repayable in full within five years	1,222	591
	Hire purchase interest	154	-
		<u>1,376</u>	<u>591</u>
4.	DIRECTOR AND EMPLOYEES	1995 £	1994 £
	Staff costs:-		
	Wages and salaries	50,065	31,091
	Social security costs	4,329	1,581
		<u>54,394</u>	<u>32,672</u>
	The average weekly number of employees during the year was made up as follows:	Number	Number
	Director	1	1
	Technical staff	2	2
	Administration	2	1
		<u>5</u>	<u>4</u>
		£	£
	Director's emoluments:-		
	Remuneration for management services	17,705	13,306
		<u>17,705</u>	<u>13,306</u>
5.	TAX ON PROFIT ON ORDINARY ACTIVITIES		

At the balance sheet date the company has estimated losses of £16,763 to be carried forward against future trading profits.

SILVERDELL MICROBIOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 1995

6.	DIVIDENDS	1995 £	1994 £
	Non-equity interests		
	Preference:-		
	Accrued dividend not paid	375	-
		<u>375</u>	<u>-</u>

SILVERDELL MICROBIOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 1995

7. TANGIBLE ASSETS

	Land & buildings £	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Total £
<u>Cost</u>					
At 1 June 1994	3,857	26,790	11,786	3,019	45,452
Additions	-	4,577	1,326	19,051	24,954
Disposals	-	-	(343)	-	(343)
At 31 May 1995	<u>3,857</u>	<u>31,367</u>	<u>12,769</u>	<u>22,070</u>	<u>70,063</u>
<u>Depreciation</u>					
At 1 June 1994	268	6,715	4,143	1,480	12,606
Charge for year	154	4,705	1,915	782	7,556
On disposals	-	-	(73)	-	(73)
At 31 May 1995	<u>422</u>	<u>11,420</u>	<u>5,985</u>	<u>2,262</u>	<u>20,089</u>
<u>Net book value at 31 May 1995</u>	<u>3,435</u>	<u>19,947</u>	<u>6,784</u>	<u>19,808</u>	<u>49,974</u>
<u>Net book value at 31 May 1994</u>	<u>3,589</u>	<u>20,075</u>	<u>7,643</u>	<u>1,539</u>	<u>32,846</u>

	1995 £	1994 £
Analysis of net book value of land and buildings:		
Short leasehold	<u>3,435</u>	<u>3,589</u>

Included above are assets held under finance leases or hire purchase contracts as follows:-

	1995 £	1994 £
Net book values:		
Motor vehicles	<u>18,654</u>	-
	<u>18,654</u>	-
Depreciation charge for the year:		
Motor vehicles	<u>397</u>	-
	<u>397</u>	-

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

SILVERDELL MICROBIOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 1995

8.	STOCKS	1995 £	1994 £
	Raw materials and consumables	9,679	6,295
	Work in progress	3,953	2,568
		<u>13,632</u>	<u>8,863</u>
9.	DEBTORS	1995 £	1994 £
	Trade debtors	29,558	14,521
	Other debtors	5,225	5,225
	Prepayments and accrued income	2,492	1,345
		<u>37,275</u>	<u>21,091</u>
10.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1995 £	1994 £
	Bank loans and overdrafts	12,939	5,340
	Trade creditors	1,925	1,579
	Proposed dividend	375	-
	Taxes and social security costs	5,095	4,037
	Net obligations under finance lease and hire purchase contracts	5,380	-
	Other creditors	3,820	1,843
	Accruals and deferred income	1,645	1,556
		<u>31,179</u>	<u>14,355</u>
11.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	1995 £	1994 £
	Loans	7,200	6,941
	Net obligations under finance leases and hire purchase contracts	9,865	-
	Directors loan account	4,874	35,934
		<u>21,939</u>	<u>42,875</u>

SILVERDELL MICROBIOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 1995

12. BORROWINGS

1995      1994  
£           £

The company's borrowings are repayable  
as follows:

In one year, or less or on demand	12,939	5,340
Between one and two years	2,120	591
Between two and five years	3,810	3,810
In five years or more	1,270	2,540
	<hr/>	<hr/>
	20,139	12,281
	<hr/>	<hr/>

Loan Details:

Nat West Loan		
Wholly Repayable within 5 years	4,450	4,191
Long Term Nat West Loan		
Part Repayable within 5 years	6,350	6,350
	<hr/>	<hr/>
	10,800	10,541
	<hr/>	<hr/>

Amounts due within five years

9,530      8,001

Instalments not due within five years

1,270      2,540

Details of security:

The loans are secured by way of a mortgage debenture dated 11.8.93 over all monies due now or in the future to National Westminster Bank; together with a director's guarantee limited to £33,440 dated 8.2.95.

SILVERDELL MICROBIOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 1995

13. SHARE CAPITAL	1995 £	1994 £
<u>Authorised</u>		
Equity interests:		
70,000 Ordinary shares of £1 each	70,000	100,000
Non-equity interests:		
30,000 7.5% Cum. Preference Shares of £1 each	30,000	-
	<u>100,000</u>	<u>100,000</u>
<u>Allotted, called up and fully paid</u>		
Equity interests:		
20,000 Ordinary shares of £1 each	20,000	20,000
Non-equity interests:		
30,000 7.5% Cum. Preference Shares of £1 each	30,000	-
	<u>50,000</u>	<u>20,000</u>
14. PROFIT AND LOSS ACCOUNT	1995 £	1994 £
Accumulated losses at 1 June 1994	(14,429)	(17,526)
Retained profit for the year	12,192	3,096
Accumulated losses at 31 May 1995	<u>(2,237)</u>	<u>(14,430)</u>

SILVERDELL MICROBIOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 1995

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1995 £	1994 £
Profit for the financial year	12,567	3,096
Dividends	(375)	-
	<hr/>	<hr/>
Shareholders' funds at 1 June 1994	12,192	3,096
	35,571	2,474
	<hr/>	<hr/>
Shareholders' funds at 31 May 1995	47,763	5,570
	<hr/>	<hr/>
Represented by:-		
Equity interests	17,763	5,570
Non-equity interests	30,000	-
	<hr/>	<hr/>
	47,763	5,570
	<hr/>	<hr/>