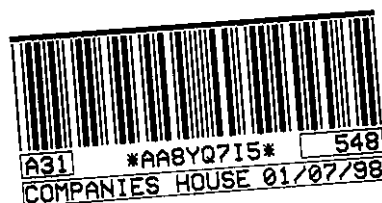


Register  
X

Company Registration No. 2605549 (England and Wales)

**SILVERDELL MICROBIOLOGY LTD**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 1998**



# SILVERDELL MICROBIOLOGY LTD

## COMPANY INFORMATION

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**Directors**

A. D. Watts  
G. C. Mills  
V. A. Watts

**Secretary**

V. A. Watts

**Company number**

2605549

**Registered office**

Greenwood House  
91/99 New London Road  
Chelmsford CM2 0PP

**Auditors**

Fraser Russell  
Greenwood House  
91/99 New London Road  
Chelmsford CM2 0PP

**Bankers**

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

# SILVERDELL MICROBIOLOGY LTD

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# SILVERDELL MICROBIOLOGY LTD

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 1998

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The directors present their report and financial statements for the year ended 31 May 1998.

### Business Review

For the fifth year running our progress continues to be very satisfactory in a highly competitive market as reflected by an increase in turnover of 20% to (£271,061) as opposed to the previous year (£225,182), and this has culminated in an increase of 30% in nett worth (£92,671) when compared to 1997 (£70,902) with pre-tax profits up 66% to (£33,601) from 1997 (£20,214). Nett profits before dividends are (£25,400) as opposed to (£13,494) in 1997 representing a nett margin of 10%. Based on our last 3 months turnover we anticipate our sales to be about (£325,000) excluding VAT by the end of May 1999.

Our client base is impressive, with many 'blue chip' clients of which not one gives us more than 13% of turnover. Our services to clients are very personalised and we have not lost one since incorporation due to poor service. Financial controls are tight as we are very keen on chasing any debtors. Most of our clients pay by the due date and as such we have experienced no bad debts. Suppliers are also important to us and we ensure that their invoices are settled by due dates, which assists in obtaining good discounts for materials purchased.

Staff have given their best and this is appreciated by the directors. On the technical side our results continue to remain excellent in all quality assurance programmes we participate in organised by MAFF / FEPAS and the PHLS. This involvement is very relevant to our UKAS ( NAMAS ) Accreditation as well as for our staff training records.

We are still aiming for growth combined with profitability for the coming year and additional work will emanate from recommendations received from satisfied clients as well as from our own marketing and business development efforts, which in part involve the entry into a number of competitions where we have had some successes during the period under review.

Our services are now advertised on our own web site which can be obtained by E Mail on : Postmaster @ Silverdell-micro.demon.co.uk. This 'site' gives details of our services and also prices and we hope that this will lead to increased business enquiries in the months ahead.

Our professional advisors are to be thanked for their assistance in the year, namely National Westminster Bank PLC, Colchester business centre and our accountants Fraser Russell Chelmsford office.

### Directors

The following directors have held office since 1 June 1997:

A. D. Watts  
G. C. Mills  
V. A. Watts

### Directors' Interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	31 May 1998	1 June 1997
A. D. Watts	15,999	15,999
G. C. Mills	4,000	4,000
V. A. Watts	1	1

# SILVERDELL MICROBIOLOGY LTD

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 1998

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	7.5 % Redeemable cum. Preference shares of £1 each	
	31 May 1998	1 June 1997
A. D. Watts	30,000	30,000
G. C. Mills	-	-
V. A. Watts	-	-

### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Fraser Russell be reappointed as auditors of the company will be put to the Annual General Meeting.

### Directors' responsibilities

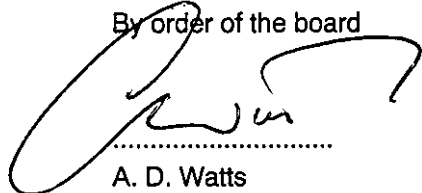
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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 directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are 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.

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

By order of the board



A. D. Watts

Director

30.6.98

# SILVERDELL MICROBIOLOGY LTD

## AUDITORS' REPORT TO THE SHAREHOLDERS OF SILVERDELL MICROBIOLOGY LTD

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We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

### Respective responsibilities of directors and auditors

As described on page 2 the company's directors are 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

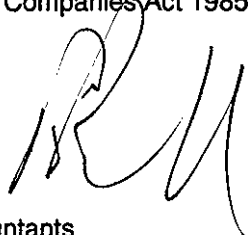
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors 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 the company's affairs as at 31 May 1998 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Fraser Russell



Chartered Accountants  
Registered Auditor

30 June 1998

Greenwood House  
91/99 New London Road  
Chelmsford CM2 0PP

# SILVERDELL MICROBIOLOGY LTD

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 1998

	Notes	1998 £	1997 £
Turnover		271,060	225,182
Cost of sales		(122,745)	(106,569)
<b>Gross profit</b>		<b>148,315</b>	<b>118,613</b>
Administrative expenses		(111,393)	(95,128)
<b>Operating profit</b>	<b>2</b>	<b>36,922</b>	<b>23,485</b>
Other interest receivable and similar income	<b>3</b>	35	-
Interest payable and similar charges	<b>4</b>	(3,857)	(3,271)
<b>Profit on ordinary activities before taxation</b>		<b>33,100</b>	<b>20,214</b>
Tax on profit on ordinary activities	<b>5</b>	(7,700)	(6,720)
<b>Profit on ordinary activities after taxation</b>		<b>25,400</b>	<b>13,494</b>
Dividends (including those in respect of non-equity shares)		(6,250)	(4,000)
<b>Retained profit for the year</b>	<b>12</b>	<b>19,150</b>	<b>9,494</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

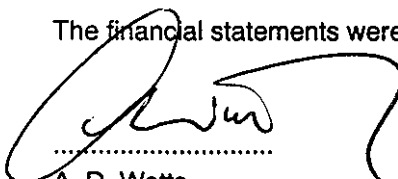
# SILVERDELL MICROBIOLOGY LTD

## BALANCE SHEET AS AT 31 MAY 1998

	Notes	1998 £	£	1997 £	£
<b>Fixed assets</b>					
Tangible assets	6		53,860		54,659
Investments	7		1,801		-
			<u>55,661</u>		<u>54,659</u>
<b>Current assets</b>					
Stocks		15,518		16,843	
Debtors	8	69,146		47,971	
Cash at bank and in hand		10,164		542	
		<u>94,828</u>		<u>65,356</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(37,979)</u>		<u>(30,970)</u>	
<b>Net current assets</b>			<u>56,849</u>		<u>34,386</u>
<b>Total assets less current liabilities</b>			<u>112,510</u>		<u>89,045</u>
<b>Creditors: amounts falling due after more than one year</b>	10		<u>(22,458)</u>		<u>(18,143)</u>
			<u>90,052</u>		<u>70,902</u>
<b>Capital and reserves</b>					
Called up share capital	11		50,000		50,000
Profit and loss account	12		40,052		20,902
<b>Shareholders' funds</b>	13		<u>90,052</u>		<u>70,902</u>
Equity interests			60,052		40,902
Non-equity interests			30,000		30,000
			<u>90,052</u>		<u>70,902</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 30.6.98

  
A. D. Watts  
Director



# SILVERDELL MICROBIOLOGY LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1998

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

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

#### 1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and 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 a constant periodic rate of charge on the net obligation outstanding in each period.

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

#### 1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 1.6 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

#### 1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Operating profit	1998	1997
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	15,646	14,419
Operating lease rentals	12,276	12,276
Auditors' remuneration	1,500	1,400
Directors' emoluments	47,637	42,060

# SILVERDELL MICROBIOLOGY LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1998

<b>3</b>	<b>Other interest receivable and similar income</b>	<b>1998</b>	<b>1997</b>
		£	£
	Bank interest	35	-
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Interest payable</b>	<b>1998</b>	<b>1997</b>
		£	£
	Hire purchase interest	2,894	1,992
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Taxation</b>	<b>1998</b>	<b>1997</b>
		£	£
	U.K. current year taxation		
	U.K. corporation tax at 21% (1997 - 24%)	7,700	6,720
		<u>          </u>	<u>          </u>

# SILVERDELL MICROBIOLOGY LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1998

### 6 Tangible fixed assets

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 June 1997	3,857	42,900	24,547	24,642	95,946
Additions	-	1,481	1,785	25,490	28,756
Disposals	-	-	-	(21,622)	(21,622)
<b>At 31 May 1998</b>	<b>3,857</b>	<b>44,381</b>	<b>26,332</b>	<b>28,510</b>	<b>103,080</b>
<b>Depreciation</b>					
At 1 June 1997	730	22,928	11,206	6,423	41,287
On disposals	-	-	-	(7,713)	(7,713)
Charge for the year	154	6,657	3,950	4,885	15,646
<b>At 31 May 1998</b>	<b>884</b>	<b>29,585</b>	<b>15,156</b>	<b>3,595</b>	<b>49,220</b>
<b>Net book value</b>					
At 31 May 1998	2,973	14,796	11,176	24,915	53,860
At 31 May 1997	3,127	19,972	13,341	18,219	54,659

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

	Motor vehicles £
<b>Net book values</b>	
At 31 May 1998	24,915
At 31 May 1997	18,219
<b>Depreciation charge for the year</b>	
31 May 1998	4,885
31 May 1997	5,144

# SILVERDELL MICROBIOLOGY LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1998

### 7 Fixed asset investments

	Listed investments £
<b>Cost</b>	
At 1 June 1997	-
Additions	1,801
	<hr/>
At 31 May 1998	1,801
	<hr/>
	<b>Market value</b>
	£
At 31 May 1998	3,685
	<hr/>

### 8 Debtors

	1998 £	1997 £
Trade debtors	56,919	40,096
Other debtors	12,227	7,875
	<hr/>	<hr/>
	69,146	47,971
	<hr/>	<hr/>

### 9 Creditors: amounts falling due within one year

	1998 £	1997 £
Bank loans and overdrafts	2,417	2,795
Net obligations under finance lease and hire purchase contracts	5,081	4,581
Trade creditors	2,325	2,815
Taxation and social security	18,681	13,575
Other creditors	9,475	7,204
	<hr/>	<hr/>
	37,979	30,970
	<hr/>	<hr/>
Debt due within one year	2,417	2,795
	<hr/>	<hr/>

# SILVERDELL MICROBIOLOGY LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1998

10 Creditors: amounts falling due after more than one year	1998 £	1997 £
Bank loans	7,831	10,249
Net obligations under finance leases and hire purchase agreements	17,044	10,689
Loans due less than one year	(2,417)	(2,795)
	<u>22,458</u>	<u>18,143</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	7,831	10,249
Included in current liabilities	(2,417)	(2,795)
	<u>5,414</u>	<u>7,454</u>
<b>Loan maturity analysis</b>		
Between one and two years	2,416	2,795
Between two and five years	2,998	4,659
	<u></u>	<u></u>
<b>Net obligations under finance leases and hire purchase contracts</b>		
Repayable within one year	6,952	5,410
Repayable between one and five years	20,279	12,624
	<u>27,231</u>	<u>18,034</u>
Finance charges and interest allocated to future accounting periods	(4,401)	(2,764)
	<u>22,830</u>	<u>15,270</u>
Included in liabilities falling due within one year	(5,081)	(4,581)
	<u>17,749</u>	<u>10,689</u>

# SILVERDELL MICROBIOLOGY LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1998

<b>11 Share capital</b>	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
70,000 Ordinary shares of £1 each	70,000	70,000
30,000 7.5 % Redeemable cum. Preference shares of £1 each	30,000	30,000
	<u>100,000</u>	<u>100,000</u>
<b>Allotted, called up and fully paid</b>		
20,000 Ordinary shares of £1 each	20,000	20,000
30,000 7.5 % Redeemable cum. Preference shares of £1 each	30,000	30,000
	<u>50,000</u>	<u>50,000</u>
<b>12 Statement of movements on profit and loss account</b>		
		<b>Profit and loss account</b>
		<b>£</b>
Balance at 1 June 1997		20,902
Retained profit for the year		19,150
Balance at 31 May 1998		<u>40,052</u>
<b>13 Reconciliation of movements in shareholders' funds</b>	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	25,400	13,494
Dividends	(6,250)	(4,000)
Net addition to shareholders' funds	<u>19,150</u>	<u>9,494</u>
Opening shareholders' funds	70,902	61,408
Closing shareholders' funds	<u>90,052</u>	<u>70,902</u>

# SILVERDELL MICROBIOLOGY LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1998

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### 14 Financial commitments

At 31 May 1998 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	1998	1997
	£	£
Expiry date:		
In over five years	12,000	12,000
	<u>12,000</u>	<u>12,000</u>