

STRATA TECHNOLOGY LIMITED
DIRECTORS' REPORT AND ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2001



STRATA TECHNOLOGY LIMITED

COMPANY INFORMATION

Directors

Dr J D Bassett
R M Davis
T J Hesketh
P Smith
S R Sollors

Secretary

T J Hesketh

Company number

03574225

Registered office

3/4 Great Marlborough St
London
W1V 2AR

Auditors

Nabarro
3 - 4 Great Marlborough Street
London
W1V 2AR

Solicitors

Wright Son & Pepper
9 Grays Inn Square
London
WC1R 5JF

Bankers

National Westminster Bank Plc
2nd Floor
1-15 King Street
Hammersmith
London
W6 9HR

STRATA TECHNOLOGY LIMITED

CONTENTS

| | Page |
|--------------------------------|-------------|
| Directors' report | 1 to 2 |
| Auditors' report | 3 |
| Profit and loss account | 4 |
| Balance sheet | 5 |
| Notes to the accounts | 6 to 10 |

STRATA TECHNOLOGY LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30TH SEPTEMBER 2001

The directors present their report and the audited accounts for the company for the year ended 30th September 2001.

Principal activities and review of business

The company's principal activity during the year continued to be that of project and design services tailored to the needs of scientists and engineers working within the research and development environments of universities, petroleum, petrochemical and pharmaceutical industries.

Results and dividends

The results for the year are set out in the profit and loss account on page 4.

The directors consider the profit achieved on ordinary activities before taxation to be satisfactory.

The directors consider the state of the company's affairs to be satisfactory.

Directors and their interests

The directors who held office during the period and their beneficial interests in the company's issued share capital are given below:

| Name of director | Share type | At 30th September | At 1st October 2000 |
|------------------|------------|-------------------|---------------------|
| | | 2001 | |
| Dr J D Bassett | Ordinary A | 250 | 250 |
| | Ordinary B | 5750 | 5750 |
| R M Davis | Ordinary A | 250 | 250 |
| | Ordinary B | 5750 | 5750 |
| T J Hesketh | Ordinary A | 250 | 250 |
| | Ordinary B | 5750 | 5750 |
| P Smith | Ordinary A | 250 | 250 |
| | Ordinary B | 5750 | 5750 |
| S R Sollors | Ordinary A | 250 | 250 |
| | Ordinary B | 5750 | 5750 |

STRATA TECHNOLOGY LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30TH SEPTEMBER 2001

Statement of directors' responsibilities

Company law requires the directors to prepare accounts 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 for that year. In preparing those accounts the directors are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;

Prepare the accounts 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 enable them to ensure that the accounts 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.

By order of the Board



T J Hesketh, Secretary
29th January 2002

INDEPENDENT AUDITORS' REPORT TO STRATA TECHNOLOGY LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 10 together with the accounts of Strata Technology Limited for the year ended 30th September 2001 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors


The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out procedures we considered necessary to confirm, by reference to the accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts have been properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full accounts.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 10 are properly prepared in accordance with that provision.



Nabarro
Chartered Accountants and Registered Auditors
3 - 4 Great Marlborough Street
London
W1V 2AR

Date: 29th January 2002

STRATA TECHNOLOGY LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30TH SEPTEMBER 2001

| | Notes | 2001 £ | 2000 £ |
|--|-------|-----------------------|-----------------------|
| Gross profit | | 1,978,216 | 1,293,624 |
| Administrative expenses | | <u>(1,022,736)</u> | <u>(652,077)</u> |
| Operating profit | 2 | 955,480 | 641,547 |
| Interest receivable | 3 | 50,447 | 44,040 |
| Interest payable and similar charges | 4 | <u>(9,613)</u> | <u>(11)</u> |
| Profit on ordinary activities before taxation | | 996,314 | 685,576 |
| Tax on profit on ordinary activities | 6 | <u>(289,086)</u> | <u>(182,016)</u> |
| Profit for the financial year | 15 | <u>707,228</u> | <u>503,560</u> |

All amounts relate to continuing activities.

There were no recognised gains or losses for 2001 or 2000 other than those included in the profit and loss account.

STRATA TECHNOLOGY LIMITED

ABBREVIATED BALANCE SHEET

AS AT 30TH SEPTEMBER 2001

| | Notes | 2001 £ | 2000 £ |
|--|-------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 7 | 1,136,098 | 207,532 |
| Current assets | | | |
| Work in progress | 8 | - | 292,988 |
| Debtors | 9 | 244,660 | 38,375 |
| Cash at bank and in hand | | 1,231,666 | 1,055,049 |
| | | <u>1,476,326</u> | <u>1,386,412</u> |
| Creditors: amounts falling due within one year | 10 | <u>(660,164)</u> | <u>(586,604)</u> |
| Net current assets | | <u>816,162</u> | <u>799,808</u> |
| Total assets less current liabilities | | <u>1,952,260</u> | <u>1,007,340</u> |
| Creditors: amounts falling due after more than one year | 11 | (314,771) | - |
| Provisions for liabilities and charges | | | |
| Deferred taxation | 13 | (52,733) | (38,917) |
| | | <u>1,584,756</u> | <u>968,423</u> |
| Capital and reserves | | | |
| Share capital | 14 | 105,500 | 132,000 |
| Capital Redemption reserve | 15 | 53,000 | 26,500 |
| Profit and loss account | 15 | 1,426,256 | 809,923 |
| Shareholders' funds | 16 | <u>1,584,756</u> | <u>968,423</u> |

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

These accounts were approved by the board on 29th January 2002 and signed on its behalf by:


Dr J D Bassett
Director

STRATA TECHNOLOGY LIMITED

ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 30TH SEPTEMBER 2001

1 Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover comprises the value of sales excluding value added tax and trade discounts.

Tangible fixed assets and depreciation

Depreciation has been provided at the following rates in order to write down the cost or valuation, less estimated residual value, of all tangible fixed assets, with the exception of freehold land, by equal annual instalments over their expected useful lives:

| | |
|-------------------------|----------------|
| Freehold properties | nil |
| Plant and machinery | 33% |
| Motor vehicles | 25% |
| Furniture and equipment | 25% or 33 1/3% |

Work in progress

Work in progress has been valued by the directors at the lower of cost or net realisable value.

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 crystallise.

Contribution to pension funds

The company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2 Operating profit

The operating profit is stated after charging or crediting:

| | 2001 £ | 2000 £ |
|--|---------------|---------------|
| Depreciation of tangible fixed assets: | | |
| -owned assets | 88,389 | 51,410 |
| Auditors' remuneration | 4,047 | 3,342 |
| | <u>92,436</u> | <u>54,752</u> |

3 Interest receivable

| | 2001 £ | 2000 £ |
|--------------------------|---------------|---------------|
| Bank interest receivable | 50,447 | 44,040 |
| | <u>50,447</u> | <u>44,040</u> |

STRATA TECHNOLOGY LIMITED

ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 30TH SEPTEMBER 2001

| | | | |
|----------|---|------------------|------------------|
| 4 | Interest payable and similar charges | 2001 | 2000 |
| | | £ | £ |
| | Interest payable on bank loans and overdrafts | <u>9,613</u> | <u>11</u> |
| 5 | Directors and employees | | |
| | Staff costs, including directors' remuneration, were as follows: | | |
| | | 2001 | 2000 |
| | | £ | £ |
| | Wages and salaries | 1,362,554 | 1,261,482 |
| | Social security costs | 108,349 | 98,341 |
| | Other pension costs | 128,624 | 103,755 |
| | Other costs | <u>60,651</u> | <u>19,485</u> |
| | | <u>1,660,178</u> | <u>1,483,063</u> |
| | Directors' emoluments | | |
| | | 2001 | 2000 |
| | | £ | £ |
| | Aggregate emoluments | 312,237 | 307,085 |
| | Directors' pension contributions under defined contribution schemes | <u>19,597</u> | <u>17,084</u> |
| | | <u>331,834</u> | <u>324,169</u> |
| 6 | Taxation | | |
| | | 2001 | 2000 |
| | | £ | £ |
| | Based on the profit for the year: | | |
| | UK corporation tax at 28.5 (2000: 25.8%) | 275,270 | 145,259 |
| | Deferred tax charge | <u>13,816</u> | <u>36,757</u> |
| | | <u>289,086</u> | <u>182,016</u> |

STRATA TECHNOLOGY LIMITED

ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 30TH SEPTEMBER 2001

7 Tangible fixed assets

| | Freehold land and buildings £ | Motor vehicles £ | Furniture, Equipment & Fixtures £ | Total £ |
|-------------------------------|--|------------------------|--|------------------|
| Cost | | | | |
| At 1st October 2000 | - | 11,708 | 248,055 | 259,763 |
| Additions | 729,556 | - | 287,399 | 1,016,955 |
| At 30th September 2001 | 729,556 | 11,708 | 535,454 | 1,276,718 |
| Depreciation | | | | |
| At 1st October 2000 | - | 2,927 | 49,304 | 52,231 |
| Charge for the year | - | 2,928 | 85,461 | 88,389 |
| At 30th September 2001 | - | 5,855 | 134,765 | 140,620 |
| Net book value | | | | |
| At 30th September 2001 | 729,556 | 5,853 | 400,689 | 1,136,098 |
| <i>At 30th September 2000</i> | <i>-</i> | <i>8,781</i> | <i>198,751</i> | <i>207,532</i> |

The freehold land and buildings are subject to a fixed and floating charge.

8 Stocks

| | 2001 £ | 2000 £ |
|---------------------|-----------|-----------|
| Work in progress | - | 420,408 |
| Payments on account | - | (127,420) |
| | - | 292,988 |

9 Debtors

| | 2001 £ | 2000 £ |
|---------------|-----------|-----------|
| Trade debtors | 236,706 | 34,445 |
| Other debtors | 7,954 | 3,930 |
| | 244,660 | 38,375 |

10 Creditors: amounts falling due within one year

| | 2001 £ | 2000 £ |
|-------------------------------------|-----------|-----------|
| Bank loans and overdrafts (Note 12) | 24,828 | - |
| Trade creditors | 144,025 | 302,598 |
| Corporation tax | 275,271 | 145,434 |
| Other taxes and social security | 42,812 | 10,269 |
| Other creditors | 391 | 689 |
| Accruals and deferred income | 172,837 | 127,614 |
| | 660,164 | 586,604 |

STRATA TECHNOLOGY LIMITED

ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 30TH SEPTEMBER 2001

| | | | |
|-----------|--|----------------|-------------|
| 11 | Creditors: amounts falling due after more than one year | 2001 | 2000 |
| | | £ | £ |
| | Bank loans and overdrafts (Note 12) | <u>314,771</u> | <u>-</u> |
| 12 | Loans and borrowings | 2001 | 2000 |
| | | £ | £ |
| | Analysis of loans | | |
| | Bank loans and overdraft | <u>339,599</u> | <u>-</u> |
| | Maturity of debt | | |
| | In one year or less, or on demand | 24,828 | - |
| | In more than one year, but not more than five years | 99,312 | - |
| | In more than five years | <u>215,459</u> | <u>-</u> |
| | | <u>339,599</u> | <u>-</u> |

The bank loan is secured by a fixed and floating charge over the company's freehold property and bears interest at a variable rate.

13 Deferred taxation

The movements in deferred taxation during the current and previous years are as follows:

| | | |
|------------------------|---------------|---------------|
| | 2001 | 2000 |
| | £ | £ |
| At 1st October 2000 | 38,917 | 2,160 |
| Movement in the year | <u>13,816</u> | <u>36,757</u> |
| At 30th September 2001 | <u>52,733</u> | <u>38,917</u> |

| | | | |
|-----------|--|------------------|------------------|
| 14 | Share capital | 2001 | 2000 |
| | | £ | £ |
| | Authorised | | |
| | Equity shares | | |
| | 1,000,000 Ordinary shares of £1.00 each | <u>1,000,000</u> | <u>1,000,000</u> |
| | Allotted | | |
| | Equity shares | | |
| | 105,500 Allotted, called up and fully paid ordinary shares of £1.00 each | <u>105,500</u> | <u>132,000</u> |

During the year the company purchased 218 ordinary A shares and 26,282 ordinary B shares at £3.43 each.

The company's share capital is divided into 1,872 ordinary A shares and 103,628 ordinary B shares.

STRATA TECHNOLOGY LIMITED

ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 30TH SEPTEMBER 2001

15 Reserves

| | Capital Redemption Reserve £ | Profit and loss account £ |
|---|---------------------------------------|------------------------------------|
| At 1st October 2000 | 26,500 | 809,923 |
| Profit for the year | - | 707,228 |
| Transfers to Capital Redemption reserve | 26,500 | (26,500) |
| Repurchase of ordinary shares | - | (64,395) |
| At 30th September 2001 | 53,000 | 1,426,256 |

16 Reconciliation of movement in shareholders' funds

| | 2001 £ | 2000 £ |
|-------------------------------------|-----------|-----------|
| Profit for the financial year | 707,228 | 503,560 |
| Repurchase of ordinary shares | (64,395) | (24,185) |
| Increase in the shareholders' funds | 642,833 | 479,375 |
| Opening shareholders' funds | 941,923 | 489,048 |
| Closing shareholders' funds | 1,584,756 | 968,423 |

17 Pension scheme

The company operates a defined contribution pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The total contributions paid in the year amounted to £128,624 (2000: £103,755).