# Financial statements
# SATRA

**For the year ended** 31 December 2009



**Company No.** 153475

# Company information

**Company registration number:** 153475

**Registered office:**
Wyndham Way
KETTERING
Northants
NN16 8SD

**Directors as at 31st December 2009:**
*Non-Executive Directors*
Mr S Etheridge (Chairman)
Mrs C F M Armstrong
Dr P Harris
Dr R E Whittaker
Mrs J Williams
*Executive Directors*
Mr A C Simmons (Chief Executive)
Mr S D Botterill (Finance Director)

**Bankers:**
National Westminster Bank Plc
16 High Street
KETTERING
Northants
NN16 8SZ

**Solicitors:**
Lamb & Holmes
West Street
KETTERING
Northants
NN15 0AZ

**Auditor:**
Grant Thornton UK LLP
Grant Thornton House
Kettering Parkway
Kettering Venture Park
KETTERING
Northants
NN15 6XR

# Index to the financial statements

The Directors of SATRA and its subsidiary undertakings present their report together with consolidated financial statements for the year ended 31 December 2009

### Principal activities and business review

The Centre and the Group are principally engaged in conducting research relating to the footwear, clothing, personal protective equipment, furniture, fabric care, floor coverings and allied trades and for providing technical services, management services and software developments to its members and clients The Group also develops and sells test equipment

### Results and business review

The deficit on the Group's normal activities during the year was £198,000, after taxation (2008 surplus £740,000)

The Directors are pleased that despite a challenging year in which the global recession impacted on many of our customers SATRA still made a small operating profit, prior to pension charges relating to Financial Reporting Standard 17, generated positive cash flow and continued its commitment to capital expenditure for further improvements in equipment and facilities The Directors consider SATRA to be in a strong position to generate future profitable growth

### Transfers to reserves

The Directors recommend the transfer of the deficit for the year of £198,000 (2008 - £740,000 surplus) to the Accumulated Fund

### Research

A report of the activities carried out including Research is published regularly in the SATRA Bulletin

### Directors

Mr R H Turner resigned as Executive Director on 30th June 2009
Mr R Morgan resigned as Executive Director on 30th August 2009

Mr S Botterill was appointed as Executive Director on 5th May 2009

### Strategy

The strategy adopted during the year has been to continually build on the central core of SATRA membership, and to provide comprehensive research and technical services to clients in a wide range of consumer product industries Capital investment in facilities and equipment will underpin the planned growth in services

### Research and Development

We believe that ongoing investment in research and development is fundamental to the continued growth of the business and to the success of our members SATRA is further increasing the level of resources applied to research in order to invest in the next generation of products and services for our clients

### Key Performance Indicators

The Directors use a number of Key Performance Indicators (financial and non financial) to monitor SATRA's performance on a regular basis through the year, including revenue, profitability and cash flow

## Risks and uncertainties

The management of the business and the nature of SATRA's strategy are subject to a number of risks

The Directors are of the opinion that these risks are under regular review as part of both formal and informal business management activities Where appropriate, processes are in place to monitor and mitigate such risks

## Financial risk management objectives and policies

SATRA uses financial instruments including cash, gilts and equity investments and various items such as trade debtors and trade creditors that arise directly from its operations

The existence of these financial instruments exposes SATRA to a number of financial risks which are described in more detail below

The main risks arising from SATRA's financial instruments are currency risk, interest rate risk, credit risk and liquidity risk

**Currency risk**
A high proportion of SATRA's income is from clients outside the UK However overseas income is mainly priced in sterling, invoiced in sterling and, in all but a small number of cases, paid in sterling

**Interest rate risk**
SATRA finances its operations entirely through retained profits, a small proportion of which derives from interest received from cash deposits Interest rate risk is therefore limited to reduced income when rates are low, and is therefore not considered significant

**Credit risk**
SATRA's principal financial assets are gilt deposits, cash and trade debtors The credit risk associated with the gilt deposits and cash is limited as the counterparties have high credit rating assigned by international credit-rating agencies The principal credit risk arises therefore from SATRA's trade debtors

In order to manage credit risk the directors set limits for clients based on a combination of payment history and third party credit references Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history

**Liquidity risk**
SATRA seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably

SATRA has no borrowings, and liquidity is managed by balancing short-term cash requirements with long-term investment returns, using instant access deposit accounts to provide the necessary flexibility

The directors review SATRA's investment strategy on a regular basis

## Directors' responsibilities for the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations
Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) The financial statements are required by law to 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 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

In so far as each of the directors is aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

**Auditor**

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006

BY ORDER OF THE BOARD

S Botterill
Director

30 March 2010

# Report of the independent auditor to the members of SATRA

(registered number 153475)

We have audited the financial statements of SATRA and its subsidiary undertakings for the year ended 31 December 2009 which comprise the consolidated profit and loss account, the consolidated and parent company balance sheets, the cash flow statement, the statement of total recognised gains and losses, the note of historical cost profit and losses and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

## Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 4 and 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

## Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/UKNP

## Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2009 and of the group's result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and,
- have been prepared in accordance with the requirements of the Companies Act 2006

## Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

# Report of the independent auditor to the members of SATRA
(registered number 153475)

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Grant Thornton UK LLP

**Timothy Blades**
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP,
Statutory Auditor, Chartered Accountants
Kettering

31 March 2010

# Principal accounting policies

### Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention

The principal accounting policies of the company are set out below The policies have remained unchanged from the previous year

### Basis of consolidation

The Group financial statements consolidate those of the Centre and of its subsidiary undertakings (see note 7) drawn up to 31st December 2009

The parent company has taken advantage of section 408 of the Companies Act 2006 and not included its own profit and loss account in these financial statements

### Goodwill

Purchased goodwill, representing the excess of the fair value of the consideration given over the fair values of the identifiable net assets acquired, is capitalised and is amortised on a straight line basis over its estimated useful economic life of 10 years

### Turnover

Turnover represents the total amount receivable from subscriptions and services together with revenue from work done in respect of external research contracts

Income is recognised at the point when goods or services have been provided

Deferred income is recognised in respect of subscriptions invoiced prior to the year in which they relate Accrued income is recognised in respect of work done not yet invoiced

### Intangible fixed assets

Intellectual property rights are included at cost and amortised on a straight line basis over their useful economic lives of 5 years

### Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives The rates generally applicable are

| | |
|---|---|
| Freehold buildings | 50 years |
| Office and canteen furniture | 10 years |
| Refurbishments, laboratory, office and canteen equipment | 5 years |
| Motor vehicles | 4 years |
| Computer equipment | 3 years |

### Research and Development

Research and development expenditure is charged to revenue in the period in which it is incurred

### Investments

Fixed asset investments are included at cost Current asset investments are included at open market valuation as at 31st December 2009, with changes in market value being recognised in the Revenue Account on an annual basis Liquid resources are investments in the form of Government Stocks and Unit Trusts

### Stocks

Stocks are valued at the lower of cost and net realisable value

### Retirement benefits

**Defined benefit scheme**
The company is one of the sponsoring employers of the scheme along with its subsidiary undertaking, SATRA Technology Centre Limited Each company has estimated its individual share of pension scheme assets and liabilities, based on the advice of an actuary, taking into account accrued service lives of individual employees The combined position is included within the consolidated financial statements

Scheme assets are measured at fair values Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at the appropriate high quality corporate bond rates The net surplus or deficit is presented separately from other assets on the balance sheet A net surplus is recognised only to the extent that it is recoverable by the group

The current service cost and costs from settlement and curtailments are charged against operating profit Past service costs are spread over the period until the benefit increases Interest charged on the scheme liabilities and the expected return on the scheme assets are included in other finance costs Actuarial gains and losses are reported in the statement of total recognised gains and losses

**Defined contribution scheme**
Pension costs in relation to the defined contribution scheme are the contributions payable in the accounting period

### Foreign currencies

Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date All exchange differences are dealt with through the profit and loss account

### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the exception that the deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

# Consolidated profit and loss account

| | Note | 2009<br>£'000 | 2008<br>£'000 |
|---|---|---|---|
| **Turnover** | 1 | **8,566** | 9,531 |
| Cost of sales | | **(1,401)** | (1,548) |
| **Gross profit** | | **7,165** | 7,983 |
| Administrative expenses | | **(7,164)** | (7,114) |
| **Operating profit** | | **1** | 869 |
| (Loss)/profit on sale of fixed assets | | **(4)** | 21 |
| Other finance costs | 20 | **(287)** | (75) |
| Net interest | 2 | **102** | 94 |
| **(Loss)/profit on ordinary activities for the year before tax** | 1 | **(188)** | 909 |
| Tax on profit on ordinary activities | 5 | **10** | 169 |
| **(Loss)/profit for the year** | 13 | **(198)** | 740 |

All of the activities of the company in the current year are classed as continuing

# Consolidated balance sheet

| | Note | £'000 | 2009 £'000 | £'000 | 2008 £'000 |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Intangible assets | 6 | | **35** | | 52 |
| Tangible assets | 8 | | **8,061** | | 8,142 |
| | | | **8,096** | | 8,194 |
| **Current assets** | | | | | |
| Stocks | 9 | **616** | | 691 | |
| Debtors | 10 | **2,324** | | 2,761 | |
| Cash at bank and in hand | | **89** | | 69 | |
| Investments | 11 | **3,087** | | 2,740 | |
| | | **6,116** | | 6,261 | |
| **Creditors: amounts falling due within one year** | 12 | **3,119** | | 3,374 | |
| **Net current assets** | | | **2,997** | | 2,887 |
| **Total assets less current liabilities** | | | **11,093** | | 11,081 |
| **Deferred taxation** | 13 | | **(164)** | | (150) |
| **Minority interest** | | | **-** | | 1 |
| **Net assets excluding pension liability** | | | **10,929** | | 10,932 |
| Pension liability | 20 | | **6,790** | | 3,515 |
| **Net assets including pension liability** | | | **4,139** | | 7,417 |
| **Reserves** | | | | | |
| Retained earnings | | | **3,792** | | 7,053 |
| Revaluation reserve | | | **347** | | 364 |
| Accumulated fund | 14 | | **4,139** | | 7,417 |

These financial statements were approved and authorised for issue by the directors on 30 March 2010 and are signed on their behalf by

Stephen Etheridge
Director

Simon Botterill
Director

**The accompanying accounting policies and notes form part of these financial statements.**

# Company balance sheet

| | Note | 2009 £'000 | 2009 £'000 | 2008 £'000 | 2008 £'000 |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Investments | 7 | | **7,057** | | 7,086 |
| **Current assets** | | | | | |
| Debtors | 10 | **2,317** | | 1,363 | |
| Cash at bank and in hand | | **65** | | 23 | |
| Investments | 11 | **1,535** | | 2,385 | |
| | | **3,917** | | 3,771 | |
| **Creditors. amounts falling due within one year** | 12 | **5** | | 6 | |
| **Net current assets** | | | **3,912** | | 3,765 |
| **Total asses less current liabilities** | | | **10,969** | | 10,851 |
| Pension liability | 20 | | **5,349** | | 3,203 |
| | | | **5,620** | | 7,648 |
| **Reserves** | | | | | |
| Retained earnings | 14 | | **5,620** | | 7,648 |

These financial statements were approved and authorised for issue by the directors on 30 March 20[illegible] and are signed on their behalf by

Stephen Etheridge
Director

Simon Botterill
Director

# Consolidated cash flow statement

| | Note | 2009 £'000 | 2008 £'000 |
|---|---|---|---|
| **Net cash inflow from operating activities** | 15 | **867** | 945 |
| **Returns on investments and servicing of finance** | | | |
| Interest received | | **102** | 94 |
| **Capital expenditure** | | | |
| Purchase of tangible fixed assets | | **(662)** | (795) |
| Sale of tangible fixed assets | | **35** | 25 |
| **Net cash outflow from capital expenditure and financial investment** | | **(627)** | (770) |
| **Net cash outflow from management of liquid resources** | | | |
| Net purchase of short term deposits | | **(322)** | (963) |
| **Increase/(decrease) in cash** | | **20** | (694) |

**The accompanying accounting policies and notes form part of these financial statements.**

# Other primary statements

### Note of historical profits and losses

| | 2009 £'000 | 2008 £'000 |
|---|---|---|
| **(Loss)/profit for the financial year** | **(198)** | 740 |
| Difference between historical cost depreciation charge and depreciation charge based on revalued amounts | **17** | 17 |
| **Retained profit at historical cost** | **(181)** | 757 |

### Statement of total recognised gains and losses

| | Note | 2009 £'000 | 2008 £'000 |
|---|---|---|---|
| **(Loss)/profit for the financial year** | | **(198)** | 740 |
| Actuarial (loss)/gain in respect of defined benefit pension scheme | 19 | **(3,080)** | (831) |
| **Total recognised gains and losses for the year** | | **(3,278)** | (91) |

**The accompanying accounting policies and notes form part of these financial statements.**

# Notes to the financial statements

## 1 Turnover

Turnover is attributable to the total amount receivable from subscriptions and services together with revenue from work done in respect of external research contracts

The (deficit)/surplus on ordinary activities is stated after

| | 2009 £'000 | 2008 £'000 |
|---|---|---|
| Auditor's remuneration | **16** | 15 |
| Depreciation | **703** | 738 |
| Amortisation | **17** | 17 |

## 2 Interest receivable

| | 2009 £'000 | 2008 £'000 |
|---|---|---|
| Interest receivable on investments | **77** | 127 |
| Change in market value of investments | **25** | (33) |
| | **102** | 94 |

## 3 Directors and employees

Staff costs during the year were as follows

| | 2009 £'000 | 2008 £'000 |
|---|---|---|
| Wages and salaries | **4,025** | 4,181 |
| Social security costs | **341** | 321 |
| Other pension costs | **282** | 384 |
| | **4,648** | 4,886 |

The average number of staff employed by the group during the financial year was 173 (2008 - 178)

Remuneration in respect of directors was as follows

| | 2009 £'000 | 2008 £'000 |
|---|---|---|
| Emoluments | **289** | 306 |
| Pension contributions | **32** | 37 |
| | **321** | 343 |

**Directors and employees (continued)**

During the year 2 directors (2008 - 3) participated in defined benefit pension schemes

The amounts set out above include remuneration of the highest paid director, including taxable benefits and bonus payments but excluding pension contributions, as follows

| | 2009 £'000 | 2008 £'000 |
|---|---|---|
| Emoluments | 89 | 125 |
| Pension | 12 | 14 |
| | 101 | 139 |

The highest paid director's accrued pension at the year end was £18,838 (2008 - accrued pension £51,254)

## 4 Result for the financial period

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements The group loss for the year includes a loss of £117,000 (2008 - profit £81,000) which is dealt with in the financial statements of the company

## 5 Taxation on profit on ordinary activities

The tax (credit)/charge represents

| | 2009 £'000 | 2008 £'000 |
|---|---|---|
| United Kingdom corporation tax at 21% (2008 - 20 75%) | (4) | 19 |
| Total current tax | (4) | 19 |
| Origination and reversal of timing differences | 10 | 37 |
| Adjustment in respect of prior periods | 4 | 113 |
| Total deferred tax | 14 | 150 |
| Tax on (deficit)/surplus on ordinary activities | 10 | 169 |

### Taxation on profit on ordinary activities (continued)

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 21% (2008 - 20 75%) The differences are explained as follows

| | **2009** **£'000** | 2008 £'000 |
|---|---|---|
| (Loss)/profit on ordinary activities before tax | **(188)** | 909 |
| (Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK 21% (2008 - 20 75%) | **(39)** | 189 |
| Effects of | | |
| Expenses not deductible for tax purposes | **61** | 29 |
| Tax rate adjustment | **5** | - |
| Creation (utilisation) of tax losses | **(9)** | - |
| Capital allowances for the year in excess of depreciation | **(12)** | (35) |
| Other timing differences | **4** | (129) |
| Additional reduction for R&D expenditure | **(6)** | (10) |
| Income not taxable for tax purposes | **(8)** | (25) |
| Current (credit)/charge for the year | **(4)** | 19 |

### 6 Intangible fixed assets

| | **Purchased goodwill £'000** |
|---|---|
| Cost | |
| At 1 January 2009 | 172 |
| At 31 December 2009 | 172 |
| Amortisation | |
| At 1 January 2009 | 120 |
| Provided in the year | 17 |
| At 31 December 2009 | 137 |
| Net book amount at 31 December 2009 | **35** |
| Net book amount at 31 December 2008 | 52 |

## 7 Fixed asset investments

**The company**

| | Loans to group undertakings £'000 | Shares in group undertakings £'000 | Total £'000 |
|---|---|---|---|
| Cost | | | |
| At 1 January 2009 | 2,000 | 5,228 | 7,228 |
| Amounts written off | | | |
| At 1 January 2009 | - | (142) | (142) |
| Additional write off in year | - | (29) | (29) |
| | - | (171) | (171) |
| Net book amount | | | |
| At 31 December 2009 | **2,000** | **5,057** | **7,057** |

At 31st December 2009 the Group owned more than 20% of the equity of the following, all of which have been included in the consolidated accounts

| | Class of share capital held | Proportion held | Nature of business |
|---|---|---|---|
| SATRA Quality Assurance Limited | Ordinary | 100% | The assessment and certification of companies to various standards and provision of technical services |
| SATRA Technology Centre Limited | Ordinary | 100% | Provision of technical services |
| Hampden Test Equipment Limited | Ordinary | 97% | Dormant |
| SATRA Hong Kong Limited | Ordinary | 100% | Dormant |
| SATRA Services Limited | Ordinary | 100% | Dormant |

## 8 Tangible fixed assets

The group

| | Land and buildings £'000 | Equipment £'000 | Furniture £'000 | Motor vehicles £'000 | Total £'000 |
|---|---|---|---|---|---|
| Cost or valuation | | | | | |
| At 1 January 2009 | 8,321 | 4,955 | 1,265 | 235 | 14,776 |
| Additions | - | 455 | 113 | 94 | 662 |
| Disposals | - | (187) | - | (75) | (262) |
| At 31 December 2009 | 8,321 | 5,223 | 1,378 | 254 | 15,176 |
| Depreciation | | | | | |
| At 1 January 2009 | 1,719 | 3,832 | 936 | 147 | 6,634 |
| Charge for the year | 145 | 416 | 107 | 35 | 703 |
| Eliminated on disposal | - | (183) | - | (39) | (222) |
| At 31 December 2009 | 1,864 | 4,065 | 1,043 | 143 | 7,115 |
| Net book amount | | | | | |
| At 31 December 2009 | **6,457** | **1,158** | **335** | **111** | **8061** |
| Net book amount | | | | | |
| At 31 December 2008 | 6,602 | 1,123 | 329 | 88 | 8,142 |

The company has no tangible fixed assets

The gross amount of buildings which have been subject to depreciation is £7,802,000 (2008 - £7,802,000)

The figures stated above for cost or valuation for freehold land and buildings include a valuation at market value as follows

| | **2009 £'000** | 2008 £'000 |
|---|---|---|
| At cost | **1,589** | 1,589 |
| At valuation 1999 | **1,500** | 1,500 |

If freehold land and buildings had not been revalued, they would have been included on the historical cost basis at the following amounts

| | **2009 £'000** | 2008 £'000 |
|---|---|---|
| Cost | **1,589** | 1,589 |
| Accumulated depreciation | **1,108** | 1,054 |
| Net book value at 31 December 2009 | **481** | 535 |

**Tangible fixed assets (continued)**

The company has adopted the transitional rules of FRS 15, Tangible Fixed Assets, not to revalue Land and Buildings but to carry them at the latest (1999) valuation

The directors do not consider the differences between the carrying value and the market value of Land and Buildings to be material to the group financial statements

## 9 Stocks

| | The group | | The company | |
|---|---|---|---|---|
| | **2009** | 2008 | **2009** | 2008 |
| | **£'000** | £'000 | **£'000** | £'000 |
| Materials and bought in items | **204** | 221 | - | - |
| Work in progress | **103** | 179 | - | - |
| Finished goods | **309** | 291 | - | - |
| | **616** | 691 | - | - |

## 10 Debtors

| | The group | | The company | |
|---|---|---|---|---|
| | **2009** | 2008 | **2009** | 2008 |
| | **£'000** | £'000 | **£'000** | £'000 |
| Trade debtors | **2,107** | 2,564 | - | - |
| Amount owed by group undertakings | - | - | **2,314** | 1,352 |
| Prepayments and accrued income | **208** | 197 | **3** | 11 |
| Corporation tax | **9** | - | - | - |
| | **2,324** | 2,761 | **2,317** | 1,363 |

**The Company**
Included within amounts owed by group undertakings is £2,314,000 falling due after more than one year (2008 - £1,352,000)

## 11 Current asset investments

| | The group | | The company | |
|---|---|---|---|---|
| | **2009** | 2008 | **2009** | 2008 |
| | **£'000** | £'000 | **£'000** | £'000 |
| Exchequer/Treasury Stock/Investments & Unit Trusts | **843** | 1,047 | **843** | 1,047 |
| Short-term deposits | **189** | 161 | **189** | 161 |
| Deposit accounts | **2,055** | 1,532 | **503** | 1,177 |
| | **3,087** | 2,740 | **1,535** | 2,385 |

## 12 Creditors: amounts falling due within one year

| | The group | | The company | |
|---|---|---|---|---|
| | **2009** | 2008 | **2009** | 2008 |
| | **£'000** | £'000 | **£'000** | £'000 |
| Trade creditors | **392** | 324 | **-** | - |
| Social security and other taxes | **173** | 248 | **-** | - |
| Accruals and deferred income | **2,554** | 2,802 | **5** | 6 |
| | **3,119** | 3,374 | **5** | 6 |

## 13 Deferred taxation

Deferred taxation provided for in the financial statements is set out below

| | The group | | The company | |
|---|---|---|---|---|
| | **2009** | 2008 | **2009** | 2008 |
| | **£'000** | £'000 | **£'000** | £'000 |
| Accelerated capital allowances | **150** | 163 | **-** | - |
| Short term timing differences | **4** | (3) | **-** | - |
| Tax losses | **10** | (10) | **-** | - |
| | **164** | 150 | **-** | - |

## 14 Reserves

### The group

| | Revaluation reserve £'000 | Revenue account £'000 | Total £'000 |
|---|---|---|---|
| At 1 January 2009 | 364 | 7,053 | 7,417 |
| Deficit for the year | - | (198) | (198) |
| Transfer from revaluation reserve to revenue account | (17) | 17 | - |
| Other recognised gains and losses | - | (3,080) | (3,080) |
| At 31 December 2009 | **347** | **3,792** | **4,139** |

**Reserves (continued)**

The company

| | Revaluation reserve £'000 | Revenue account £'000 | Total £'000 |
|---|---|---|---|
| At 1 January 2009 | - | 7,648 | 7,648 |
| Deficit for the year | - | (117) | (117) |
| Other recognised gains and losses | - | (1,911) | (1,911) |
| At 31 December 2009 | - | **5,620** | **5,620** |

## 15 Net cash inflow from operating activities

| | 2009 £'000 | 2008 £'000 |
|---|---|---|
| Operating (deficit)/surplus | **(198)** | 740 |
| Amortisation | **17** | 17 |
| Depreciation | **703** | 738 |
| Profit/(loss) on sale of tangible fixed assets | **4** | (20) |
| Increase/(decrease) in stock | **75** | 21 |
| Decrease/(increase) in debtors | **437** | (326) |
| Decrease in creditors | **(44)** | (164) |
| Interest receivable | **(102)** | (94) |
| (Decrease)/increase in market value of investments | **(25)** | 33 |
| | **867** | 945 |

## 16 Reconciliation of net cash flow to movement in net funds

| | 2009 £'000 | 2008 £'000 |
|---|---|---|
| Increase/(decrease) in cash | **20** | (694) |
| Cash inflow from increase in liquid resources | **322** | 963 |
| Change in net funds resulting from cash flows | **342** | 269 |
| Non cash items | **25** | (33) |
| Net movement in funds | **367** | 236 |
| Net funds at 1 January 2009 | **2,809** | 2,573 |
| Net funds at 31 December 2009 | **3,176** | 2,809 |

## 17 Analysis of changes in net funds

| | At 1 January 2009 £'000 | Cashflow £'000 | Non-cash items £'000 | At 31 December 2009 £'000 |
|---|---|---|---|---|
| Cash at bank and in hand | 69 | 20 | - | **89** |
| Current asset investments | 2,740 | 322 | 25 | **3,087** |
| | 2,809 | 342 | 25 | **3,176** |

## 18 Contingent liabilities

There were no contingent liabilities as at 31 December 2009 or 31 December 2008

## 19 Capital commitments

Capital commitments as at 31 December 2009 were £37,000 (31 December 2008 – nil)

## 20 Pension

**Defined Contribution Pension Scheme**
The Group operates a Stakeholder pension plan for employees who joined the Group after 1 October 2001

**Defined Benefit Pension Scheme**
The Group has established a funded defined benefit pension scheme (SATRA (1972) Pension Scheme) for the benefit of the employees and certain directors wishing and eligible to become members The scheme is a final salary scheme The assets of the scheme are administered by trustees in a fund independent from those of the Group The scheme was closed to new members with effect from 1 October 2001

Costs and liabilities of the scheme are based on actuarial valuations The latest full actuarial valuation was carried out at 1 April 2007 and showed that the Scheme's assets were sufficient to cover 87% of the benefits that had accrued to members, corresponding to a shortfall of £2,186,000 The valuation has been updated to 31 December 2009 by a qualified independent actuary using revised assumptions that are consistent with the requirements of FRS 17

Because the scheme is closed to new members the age profile of the active membership of the scheme is rising significantly, the current service cost under the projected unit method will increase as the members of the scheme approach retirement

Whilst each employer company has included within its own financial statements its share of the deficit based on the actuary's calculations, as a multi employer scheme each company is liable up to the maximum scheme liability as disclosed below

## Pensions (continued)

The main assumptions used by the actuary were

| | **2009** | 2008 |
|---|---|---|
| | **%** | % |
| Discount rate at 31 December | **5.7** | 6 7 |
| Expected return on plan assets at 31 December | **6.8** | 6 7 |
| Rate of increase in pensionable salaries | **3.8** | 3 8 |
| Rate of increase in pensions in payment | **3.2** | 2 8 |
| Inflation assumption | **3.3** | 2 8 |
| Mortality projection basis | **Medium cohort projection basis (year of birth)** | Medium cohort projection basis (year of birth) |

The expected return on plan assets is 6 8 % (2008 - 6 7%) which is based on directors best estimate of overall rate of return and the effect of major categories of plan assets were as under

| | **As at 31 December 2009 Rate of return %** | As at 31 December 2008 Rate of return % |
|---|---|---|
| Equities | **7.5** | 7 4 |
| Gilts | **4.5** | 3 9 |
| Bonds | **5 7** | 6 7 |
| Specialist funds | **7.5** | 7 4 |
| Cash | **0.5** | 2 0 |

Mortality assumptions In relation to life expectancy it is assumed that for a man who has reached pensionable age that life expectancy is age 87 and for females, age 89 For scheme members who have not reached pensionable age, the rates are adjusted to reflect changes in mortality rates that are expected to arise over the period to pensionable age

The amount charged or (credited) to operating profit are as follows

| | **2009** | 2008 |
|---|---|---|
| | **£'000** | £'000 |
| Current service cost less employee contributions | **226** | 339 |
| Interest on pension scheme liabilities | **1,033** | 1,027 |
| Expected return on pension scheme assets | **(746)** | (952) |
| Past service cost | **-** | - |
| Total operating charge | **513** | 414 |

The amounts charged or credited in profit or loss were included in wages and salaries charge £226,000 (2008 - £339,000) and finance costs £ 287,000 (2008 - £75,000)

**Pension (continued)**

The amounts recognised in the statement of total recognised gains and losses (STRGL) are as follows

| | 2009 £'000 | 2008 £'000 |
|---|---|---|
| Actual return less expected return on pension scheme assets | **1,235** | (3,481) |
| Experience gains and losses arising on the scheme liabilities | **36** | (15) |
| Changes in assumptions underlying the present value of the scheme liabilities | **(4,351)** | 2,665 |
| Actuarial loss recognised in STRGL | **(3,080)** | (831) |

The amounts recognised in the consolidated balance sheet are as follows

| | 2009 £'000 | 2008 £'000 |
|---|---|---|
| Fair value of plan assets | **13,779** | 12,110 |
| Present value of funded retirement benefit obligations | **(20,569)** | (15,625) |
| | **(6,790)** | (3,515) |

The major categories of plan asset, as a percentage of the total plan assets are as follows

| | 2009 % | 2008 % |
|---|---|---|
| Equities | **64** | 57 |
| Gilts | **4** | 4 |
| Bonds | **20** | 23 |
| Specialist funds | **9** | 9 |
| Cash | **3** | 7 |

Changes in the present value of the defined benefit obligation are as follows

| | 2009 £'000 | 2008 £'000 |
|---|---|---|
| Opening defined benefit obligation as at 1 January 2009 | **15,625** | 17,582 |
| Current service cost | **226** | 339 |
| Interest cost | **1,033** | 1,027 |
| Actuarial losses/(gains) | **4,315** | (2,650) |
| Employees' contributions | **80** | 85 |
| Past service cost | **-** | - |
| Benefits paid | **(710)** | (758) |
| Closing defined benefit obligation as at 31 December 2009 | **20,569** | 15,625 |

## Pension (continued)

Changes in the fair value of plan assets are as follows

| | 2009 £'000 | 2008 £'000 |
|---|---|---|
| Opening fair value of plan assets as at 1 January 2009 | **12,110** | 14,382 |
| Expected return | **746** | 952 |
| Employer's contributions | **318** | 930 |
| Employees' contributions | **80** | 85 |
| Actuarial experience gains/(losses) | **1,235** | (3,481) |
| Benefits paid | **(710)** | (758) |
| Closing fair value of plan assets as at 31 December 2009 | **13,779** | 12,110 |

The cumulative actuarial losses recognised in the statement of total recognised gains and losses at 31 December 2009 was £4,442,000 (2008 - £1,362,000)

Amounts for the current and previous four periods are as follows

| | 2009 £'000 | 2008 £'000 | 2007 £'000 | 2006 £'000 | 2005 £'000 |
|---|---|---|---|---|---|
| Fair value of assets | **13,779** | 12,110 | 14,382 | 13,921 | 12,922 |
| Present value of defined benefit obligation as at 31 December 2009 | **(20,569)** | (15,625) | (17,582) | (18,472) | (18,040) |
| Surplus/(deficit) in plan | **(6,790)** | (3,515) | (3,200) | (4,551) | (5,118) |
| Experience adjustments arising on plan assets | **1,235** | (3,481) | (210) | 111 | 1,249 |
| Experience adjustments arising on plan obligations | **36** | (15) | (297) | - | - |

## 21 Corporation tax

SATRA has been granted exemption from Corporation Tax under the provisions of Section 508 of the Income and Corporation Taxes Act 1988 in respect of the financial year to 31st December 2007 The procedure under Section 508 changed to self assessment from 2008 and returns have been submitted to HMRC for the year to 31 December 2008 and will be submitted for the year to 31 December 2009

## 22 Company status

SATRA is a company limited by guarantee, the members of which have each undertaken to contribute a maximum of £5 in the event of winding-up