


COMPANIES HOUSE

S.R.A. Developments Limited

**Unaudited Financial Statements
Year Ended 31 March 2013**

Company Registration Number 01385171

AMENDING

SA WEDNESDAY		*A2Z4611Z*	#376
	A09	08/01/2014	COMPANIES HOUSE
SA WEDNESDAY		*A2NPLHTL*	#32
	A10	21/12/2013	COMPANIES HOUSE

S.R.A. Developments Limited

Financial Statements

Year Ended 31 March 2013

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S.R.A. Developments Limited

The Directors' Report

Year Ended 31 March 2013

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 31 March 2013

Principal Activities and Business Review

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

S R A has used its strong trading position to fund a substantial new production facility at its Bremridge site. This state of the art building offers all the facilities needed to supply our medical device products, delivering the high quality demanded by the market at volumes consistent with global demand for our Lotus 4 instruments. We anticipate a strong year in 2013/14 with continued investment in new R&D and marketing facilities as we pursue our goals of technical and clinical excellence.

Directors

The directors who served the company during the year were as follows

Dr M J R Young
Mrs H L Young
Dr S M R Young
Mr R J R Young
Mr D Wright
Miss N P Palfrey

Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Signed by order of the directors



Mrs H L Young
Company Secretary

Approved on 17/12/13

S.R.A. Developments Limited

Chartered Accountants Report to the Board of Directors on the Preparation of the Unaudited Statutory Financial Statements of S R A Developments Limited

Year Ended 31 March 2013

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of S R A Developments Limited for the year ended 31 March 2013 as set out on pages 3 to 11 from the company's accounting records and from information and explanations you have given us

As a practising member firm of The Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at www.icaew.com

This report is made solely to the Board of Directors of S R A Developments Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of S R A Developments Limited and state those matters that we have agreed to state to them, as a body, in this report in accordance with the requirements of The Institute of Chartered Accountants in England and Wales as detailed at www.icaew.com. To the fullest extent possible permitted by law, we do not accept or assume responsibility to anyone other than S R A Developments Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that S R A Developments Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit or loss of S R A Developments Limited. You consider that S R A Developments Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of S R A Developments Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

FRANCIS CLARK LLP
Chartered Accountants
Sigma House
Oak View Close
Edginswell Park
Torquay
TQ2 7FF

17 December 2013

Francis Clark LLP

S.R.A. Developments Limited

Profit and Loss Account

Year Ended 31 March 2013

	Note	2013 £	2012 £
Turnover	2	4,303,988	3,961,513
Cost of sales		<u>2,098,507</u>	<u>1,987,878</u>
Gross Profit		2,205,481	1,973,635
Distribution Costs		804,922	792,249
Administrative expenses		<u>739,995</u>	<u>564,657</u>
Operating Profit	3	660,564	616,729
Interest receivable		1,755	1,603
Interest payable and similar charges		(722)	(487)
Research and Development income		14,017	8,300
Research and Development expenditure		<u>(276,442)</u>	<u>(328,841)</u>
Profit on Ordinary Activities Before Taxation		399,172	297,304
Tax on profit on ordinary activities	5	32,300	4,748
Profit for the Financial Year		<u>366,872</u>	<u>292,556</u>

The notes on pages 5 to 11 form part of these financial statements.

S.R.A. Developments Limited

Balance Sheet

31 March 2013

	Note	2013 £	2012 £
Fixed Assets			
Intangible assets	7	205,559	232,999
Tangible assets	8	1,745,805	975,080
		<u>1,951,364</u>	<u>1,208,079</u>
Current Assets			
Stocks		662,871	508,596
Debtors	9	699,979	750,180
Cash at bank and in hand		164,889	516,712
		<u>1,527,739</u>	<u>1,775,488</u>
Creditors. Amounts falling due within one year	10	<u>1,234,168</u>	<u>1,048,156</u>
Net Current Assets		<u>293,571</u>	<u>727,332</u>
Total Assets Less Current Liabilities		<u>2,244,935</u>	<u>1,935,411</u>
Creditors: Amounts falling due after more than one year	11	–	348
Provisions for Liabilities			
Deferred taxation	12	60,000	34,000
		<u>2,184,935</u>	<u>1,901,063</u>
Capital and Reserves			
Called-up equity share capital	15	45,100	45,100
Profit and loss account	16	2,139,835	1,855,963
Shareholders' Funds		<u>2,184,935</u>	<u>1,901,063</u>

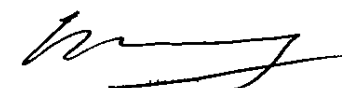
The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act

The directors acknowledge their responsibilities for

- (i) ensuring that the company keeps adequate accounting records which comply with section 386 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 393, 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 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the directors and authorised for issue on 17/12/13, and are signed on their behalf by



Dr M J R Young

Company Registration Number 01385171

The notes on pages 5 to 11 form part of these financial statements

S.R.A. Developments Limited

Notes to the Financial Statements

Year Ended 31 March 2013

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 April 2008)

(b) Format of Accounts

In the opinion of the directors, the standard format of the profit and loss account as laid down by the Companies Act 2006, would not present a true and fair view of the results of the company. Accordingly, the format of the profit and loss account has been amended as permitted by the Companies Act 2006

Turnover

Turnover represents the fair value of consideration receivable, excluding Value Added Tax, in the ordinary course of business for goods and services provided

Amortisation

Amortisation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows

Patents	-	20% straight line
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Depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows

Leasehold Property	-	4% straight line
Plant & equipment	-	33 3% and 15% straight line
Motor Vehicles	-	33 3% reducing balance

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

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Deferred taxation

Provision is recognised in respect of timing differences between the treatment of certain items for taxation and accounts purposes which have occurred but not reversed by the balance sheet date. This is based on tax rates enacted at the balance sheet date and is not discounted

S.R.A. Developments Limited

Notes to the Financial Statements

Year Ended 31 March 2013

1 Accounting Policies *(continued)*

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Research and development

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

2 Turnover

Overseas turnover amounted to 34.56% (2012 - 37.52%) of the total turnover for the year.

3. Operating Profit

Operating profit is stated after charging/(crediting)

	2013 £	2012 £
Amortisation of intangible assets	107,991	96,372
Depreciation of owned fixed assets	196,070	162,794
Depreciation of assets held under hire purchase agreements	—	890
Profit on disposal of fixed assets	(1,381)	(2,396)
Net loss on foreign currency translation	<u>22,926</u>	<u>13,177</u>

4 Directors' Remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2013 £	2012 £
Aggregate remuneration	<u>193,079</u>	<u>171,256</u>

S.R.A. Developments Limited

Notes to the Financial Statements

Year Ended 31 March 2013

5 Taxation on Ordinary Activities

Analysis of charge in the year

	2013 £	2012 £
Current tax		
UK Corporation tax based on the results for the year	6,300	-
Over/under provision in prior year	-	(26,252)
Total current tax	6,300	(26,252)
Deferred tax		
Origination and reversal of timing differences (note 12)		
Capital allowances	12,000	10,000
Losses	14,000	21,000
Total deferred tax (note 12)	26,000	31,000
Tax on profit on ordinary activities	32,300	4,748

6 Dividends

Equity dividends

	2013 £	2012 £
Paid		
Equity dividends on ordinary shares	68,000	25,000
Equity dividends on ordinary 'B' shares	15,000	10,800
	83,000	35,800
Proposed after the year end (not recognised as a liability)		
Equity dividends on ordinary shares	-	68,000
Equity dividends on ordinary 'B' shares	-	15,000
	-	83,000

S.R.A. Developments Limited

Notes to the Financial Statements

Year Ended 31 March 2013

7. Intangible Fixed Assets

	Patents £
Cost	
At 1 April 2012	758,686
Additions	80,551
At 31 March 2013	<u>839,237</u>
Amortisation	
At 1 April 2012	525,687
Charge for the year	107,991
At 31 March 2013	<u>633,678</u>
Net Book Value	
At 31 March 2013	<u>205,559</u>
At 31 March 2012	<u>232,999</u>

8. Tangible Fixed Assets

	Leasehold Property £	Plant & Equipment £	Motor Vehicles £	Total £
Cost				
At 1 April 2012	873,969	1,051,201	40,329	1,965,499
Additions	607,815	367,507	–	975,322
Disposals	–	(30,874)	(22,650)	(53,524)
At 31 March 2013	<u>1,481,784</u>	<u>1,387,834</u>	<u>17,679</u>	<u>2,887,297</u>
Depreciation				
At 1 April 2012	129,430	836,776	24,213	990,419
Charge for the year	59,279	131,625	5,166	196,070
On disposals	–	(26,167)	(18,830)	(44,997)
At 31 March 2013	<u>188,709</u>	<u>942,234</u>	<u>10,549</u>	<u>1,141,492</u>
Net Book Value				
At 31 March 2013	<u>1,293,075</u>	<u>445,600</u>	<u>7,130</u>	<u>1,745,805</u>
At 31 March 2012	<u>744,539</u>	<u>214,425</u>	<u>16,116</u>	<u>975,080</u>

Hire purchase agreements

Included within the net book value of £1,745,805 is £Nil (2012 - £2,520) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £Nil (2012 - £890)

S.R.A. Developments Limited

Notes to the Financial Statements

Year Ended 31 March 2013

9. Debtors

	2013	2012
	£	£
Trade debtors	573,075	637,325
VAT recoverable	25,238	—
Amounts due from related company	28,572	28,572
Prepayments and accrued income	73,094	84,283
	<u>699,979</u>	<u>750,180</u>

10. Creditors: Amounts falling due within one year

	2013	2012
	£	£
Trade creditors	371,199	237,652
Corporation tax	6,300	—
PAYE and social security	47,731	44,925
VAT	—	59,696
Hire purchase agreements	348	1,394
Directors' current account	129,601	145,325
Other creditors	120	821
Accruals and deferred income	678,869	558,343
	<u>1,234,168</u>	<u>1,048,156</u>

Security has been given by the company in respect of £348 (2012 - £1,394) of the above creditors

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

	2013	2012
	£	£
Hire purchase agreements	<u>—</u>	<u>348</u>

Security has been given in respect of £Nil (2012 - £348) of the above creditors

12. Deferred Taxation

The movement in the deferred taxation provision during the year was

	2013	2012
	£	£
Provision brought forward	34,000	3,000
Profit and loss account movement arising during the year	26,000	31,000
Provision carried forward	<u>60,000</u>	<u>34,000</u>

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

	2013	2012
	£	£
Excess of taxation allowances over depreciation on fixed assets	60,000	48,000
Tax losses available	<u>—</u>	<u>(14,000)</u>
	<u>60,000</u>	<u>34,000</u>

S.R.A. Developments Limited

Notes to the Financial Statements

Year Ended 31 March 2013

13. Commitments under Operating Leases

At 31 March 2013 the company had aggregate annual commitments under non-cancellable operating leases as set out below

	2013 £	2012 £
Operating leases which expire		
Within 1 year	24,453	3,175
Within 2 to 5 years	42,354	66,807
	<u>66,807</u>	<u>69,982</u>

14 Related Party Transactions

(a) The company was under the control of its directors throughout the current and previous year

(b) The related undertakings disclosed in note 8 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

	2013 £	2012 £
Sales	1,026,631	1,062,071
Debtor at 31 March 2013	98,764	151,573

(d) As at 31 March 2013 the company was owed £28,572 (2012 - £28,572) by Sonicut Limited, a company in which M J R Young and H L Young have an interest

(e) As at 31 March 2013 the company owed £129,601 (2012 - £145,325) to the directors. No interest has been charged by the directors on this loan

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

(g) Dividends totalling £83,000 (2012 - £35,800) were paid during the year to the directors

15 Share Capital

Allotted, called up and fully paid:

	2013 No	£	2012 No	£
45,100 Ordinary shares of £1 each	<u>45,100</u>	<u>45,100</u>	<u>45,100</u>	<u>45,100</u>

S.R.A. Developments Limited

Notes to the Financial Statements

Year Ended 31 March 2013

15 Share Capital *(continued)*

Allotted, issued and uncalled

2,718 Ordinary 'B' shares of £1 each

Share Option Scheme

On 30 April 2010 the company granted an option to acquire shares to three employees under an approved Enterprise Management Incentive scheme. The option per employee was in respect of 1,631 Ordinary Shares of £1 each at an exercise price of £30 per share.

The option will be capable of exercise on the 5th anniversary of the date of grant, except in a number of specified circumstances and at the discretion of the Board of Directors.

16. Profit and Loss Account

	2013	2012
	£	£
Balance brought forward	1,855,963	1,599,207
Profit for the financial year	366,872	292,556
Equity dividends	(83,000)	(35,800)
Balance carried forward	<u>2,139,835</u>	<u>1,855,963</u>