



SATRA
Quality Assurance Limited

(company number 2941713)

Statutory Report and
Financial Statements for the
year ended
31st December 2004

SATRA Quality Assurance Limited, SATRA House,
Rockingham Road, Kettering, Northamptonshire, NN16 9JH,
United Kingdom



SATRA Quality Assurance Limited
SATRA House, Rockingham Road, Kettering, Northants, NN16 9JH

Company Number 2941713

First Formed 22nd June 1994

Directors as at 31st December 2004

Mr I M Kennedy OBE MA (Chairman)
Mr D W Cheesman BSc (Deputy Chairman)
Mr J Butcher MBE FSCA FinstAM FIMgt JP
Mr R A R Garfit
Dr P Harris PhD BSc Hons
Mr R C Perkins
Mr J W W Pittard
Mr I J Tilley

Executive Directors

Dr R E Whittaker PhD MPhil BSc CPhys FInstP FTI FIM FIMgt (Chief Executive)
Mr R H Turner FCFI ASLTC MAPM MIScT MIMgt (Deputy Chief Executive)
Mr R G Morgan BSc FCMA (Finance Director and Secretary)
Mr A C Simmons BA IEng MIIE

Bankers

National Westminster Bank Plc, 16 High Street, Kettering, Northants, NN16 8SZ.

Solicitors

Lamb & Holmes, West Street, Kettering, Northants, NN15 0AZ.

Auditors

Grant Thornton UK LLP, Elgin House, Billing Road, Northampton, NN1 5AU.



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STATUTORY REPORT OF THE BOARD

The Board has pleasure in presenting its Report together with financial statements for the year ended 31st December 2004.

1. PRINCIPAL ACTIVITIES

SATRA Quality Assurance Limited is a private company, the share capital of which is owned by SATRA, a company limited by guarantee. Its principal activity is assessing and certifying companies to various national and international standards and the provision of technical services.

2. RESULTS

The profit after taxation on the company's activities during the year was £16,199 (2003: £28,688).

3. BOARD MEMBERS

The activities of the Company are administered by a Board of Directors, no member of which receives any remuneration for his services.

Mr A C Simmons was appointed as Executive Director as at 1st January 2004.

Messrs I M Kennedy and J Butcher were re-appointed Non-Executive Directors to serve for a further period of three years at the Annual General Meeting held on 15th June 2004.

No directors held any interest in the shares of the company, or the parent undertaking at any point in the financial year ended 31st December 2004.

The operation of the activities of the company is controlled by a Governing Board consisting of nominees of bodies as specified in Article 12 (b) of the company's Articles of Association. The members of the Governing Board as at 31st December 2004 were Messrs S Austin, N Campbell, D Casewell, F J Dudley, P F Haimes, Ms M Ingham, Mr M Mellors, Mr R H Turner and Dr R E Whittaker.

4. DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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.
- ☐ State whether applicable 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.

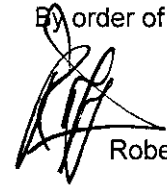
The Directors are responsible for maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

5. AUDITORS

Grant Thornton UK LLP offer themselves for re-appointment as auditors in accordance with Section 385 of the Companies Act 1985.

SATRA House
Rockingham Road
Kettering
Northants
NN16 9JH

By order of the Board



Robert Morgan
Secretary

19th April 2005

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SATRA QUALITY ASSURANCE LIMITED

We have audited the financial statements of SATRA Quality Assurance Limited for the year ended 31st December 2004 which comprise the profit and loss account, the balance sheet, the principal accounting policies and notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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's members as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with applicable law and United Kingdom accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the directors' report and consider whether it is consistent with the audited financial statements. This other information comprises only the directors' report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

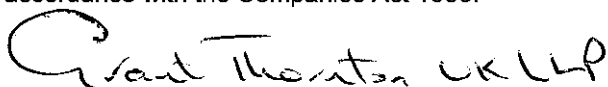
Basis of opinion

We conducted our audit in accordance with United Kingdom 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 at 31st December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
NORTHAMPTON

5 May 2005

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST DECEMBER 2004

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The financial statements have been prepared on the going concern basis, however at the 31st December 2004 the company had net liabilities at £12,814 and was reliant on the continued support of its parent undertaking SATRA. The directors have obtained confirmation that SATRA will continue to provide financial support for at least a further twelve months and therefore the directors consider it appropriate to use the going concern basis in the preparation of the financial statements.

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

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is calculated to write down the cost of all tangible fixed assets by equal annual instalments over their expected useful lives.

The periods generally applicable are:

Office and canteen furniture	10 years
Office equipment	5 years

INCOME

Income represents the total amount receivable in respect of work done.

CONTRIBUTIONS TO PENSION FUNDS

DEFINED BENEFIT SCHEME

The company participates in a defined benefit scheme but is unable to identify its share of the underlying assets and liabilities. The pension costs charged against operating profit are the contributions payable to the scheme in respect of the accounting period.

DEFINED CONTRIBUTION SCHEME

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

EUROPEAN COMMUNITY GRANTS

European Community grants of a revenue nature are credited to the profit and loss account in the same period as the related expense.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2004

		2004		2003	
	Note	£	£	£	£
INCOME FOR THE YEAR					
Turnover	1		1,719,337		1,632,891
OTHER OPERATING CHARGES					
Salary cost	2	993,163		953,613	
Other operating charges		693,302		633,914	
Auditors remuneration		2,240	1,688,705	2,598	1,590,125
			<hr/>		<hr/>
OPERATING PROFIT			30,632		42,766
Net interest	3		<hr/> (14,433)		<hr/> (14,078)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION					
			16,199		28,688
TAX ON PROFIT ON ORDINARY ACTIVITIES					
	4		-		-
TRANSFER TO RESERVES					
	9		<hr/> <hr/> 16,199		<hr/> <hr/> 28,688

There were no recognised gains or losses other than the profit for the financial year.

The accounting policies on page 5 and notes on pages 8 to 11 form part of these financial statements

BALANCE SHEET AS AT 31ST DECEMBER 2004

		2004		2003	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	5		-		108
CURRENT ASSETS					
Debtors	6	510,826		502,029	
Cash in bank and in hand		<u>15,695</u>		<u>20,285</u>	
		526,521		522,314	
CREDITORS: Amounts falling due within one year					
	7	<u>539,335</u>		<u>551,435</u>	
NET CURRENT LIABILITIES			<u>(12,814)</u>		<u>(29,121)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(12,814)</u>		<u>(29,013)</u>
CAPITAL AND RESERVES					
Share capital	8		1		1
Profit and loss account	9		<u>(12,815)</u>		<u>(29,014)</u>
Shareholders' funds	10		<u>(12,814)</u>		<u>(29,013)</u>

The financial statements were approved by the Board on 19th April 2005

Signed : **Iain Kennedy** (Chairman)

Signed: **Robert Morgan** (Secretary)



The accounting policies on page 5 and notes on pages 8 to 11 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2004

1. INCOME AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Income is attributable to the total amount receivable in respect of work carried out for clients. Profit on ordinary activities is stated after:

	2004 £	2003 £
Auditors remuneration	2,240	2,598
Depreciation	108	103

2. DIRECTORS AND EMPLOYEES

	2004 £	2003 £
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Staff costs during the year were as follows:

Wages and salaries	834,989	813,966
Social security costs	68,129	55,146
Pension and other staff costs	90,045	84,501
	<u>993,163</u>	<u>953,613</u>

The average number of employees of the company during the year was 37 (2003: 36)

No remuneration was paid to any member of the Board. The directors are remunerated through other group companies. A management charge was levied to SATRA Quality Assurance Limited to cover this expense.

3. NET INTEREST

	2004 £	2003 £
Other interest payable and similar charges	<u>14,433</u>	<u>14,078</u>

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

Unrelieved tax losses of approximately £11,500 remain available to offset against future taxable trading profits.

Factors affecting the tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 19% (2003: 30%). The differences are explained as follows:

	2004 £	2003 £
Profit on ordinary activities before tax	<u>16,199</u>	<u>28,688</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2003: 30%)	3,078	8,606
Effects of:		
Expenses not deductible for tax purposes	15	20
Utilisation of tax losses	(3,185)	(8,563)
Other timing differences	92	(63)
Current tax charge for the year	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2004

5. TANGIBLE FIXED ASSETS

Cost	TOTAL £	Office Equipment £	Office Furniture £
At 1st January 2004 and at 31st December 2004	<u>1,413</u>	<u>425</u>	<u>988</u>
Depreciation			
At 1st January 2004	1,305	425	880
Charge for Year	108	-	108
At 31st December 2004	<u>1,413</u>	<u>425</u>	<u>988</u>
Net book amount			
At 31st December 2004	<u>-</u>	<u>-</u>	<u>-</u>
At 1st January 2004	<u>108</u>	<u>-</u>	<u>108</u>

6. DEBTORS

	2004 £	2003 £
Trade debtors	429,272	369,338
Prepayments and accrued income	81,554	132,691
	<u>510,826</u>	<u>502,029</u>

7. CREDITORS

AMOUNTS FALLING DUE WITHIN ONE YEAR	2004 £	2003 £
Trade Creditors	19,507	11,121
Social Security and other taxes	29,605	-
Accruals and deferred income	39,730	47,206
Amount owed to Group undertakings	450,493	493,108
	<u>539,335</u>	<u>551,435</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2004

8. SHARE CAPITAL

	2004 and 2003 £
Authorised, allotted, called up and fully paid Ordinary share of £1	<u>1</u>

9. RESERVES

	2004 £	2003 £
At 1st January	(29,014)	(57,702)
Profit for the year	16,199	28,688
At 31st December	<u>(12,815)</u>	<u>(29,014)</u>

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004 £	2003 £
Profit for the financial year	16,199	28,688
Shareholders' funds at 1st January	<u>(29,013)</u>	<u>(57,701)</u>
Shareholders' funds at 31st December	<u>(12,814)</u>	<u>(29,013)</u>

11. CAPITAL COMMITMENTS

There were no capital commitments at 31st December 2004 or 31st December 2003.

12. CONTINGENT LIABILITIES

There were no contingent liabilities at 31st December 2004 or 31st December 2003.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2004

13. PENSION

Defined Benefit Scheme

Pension payments are made on behalf of SATRA Quality Assurance Limited by its parent company SATRA and are recharged accordingly.

The disclosures in respect of FRS 17 Retirement Benefits are disclosed in the financial statements of the parent undertaking, SATRA.

Defined Contribution Scheme

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

14. ULTIMATE PARENT UNDERTAKING

The directors consider that the ultimate parent undertaking and the company's controlling party is SATRA.

As a wholly owned subsidiary of SATRA, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the Group.