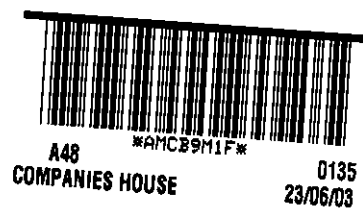


**STRATA TECHNOLOGY LIMITED**  
**DIRECTORS' REPORT AND ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2002**



# STRATA TECHNOLOGY LIMITED

## COMPANY INFORMATION

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**Directors**

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

**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

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**STRATA TECHNOLOGY LIMITED**

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# STRATA TECHNOLOGY LIMITED

## DIRECTORS' REPORT

FOR THE PERIOD ENDED 30TH SEPTEMBER 2002

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The directors present their report and the audited accounts for the company for the year ended 30th September 2002.

### 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.

At the beginning of the year we were well positioned to meet our forecasts. The failure to meet expectations was in part due to the general economic climate, which has had a significant impact on some of our major customers. Unforeseen cost increases and consequent reduced margins on two large contracts led to an exceptional year-end deficit, which has been critically addressed by reviewing and overhauling systems for planning and managing design contracts. During the second half we put in a cost reduction programme which, when fully implemented, will reduce our cost base to a level that will enable us to trade profitably and robustly at the lower levels of business projected for 2002-03. We have refocused the sales team to search out new opportunities while at the same time maximising our efforts to support our existing customers efficiently and effectively. The company retains satisfactory cash reserves despite a substantial tax payment on last year's profits.

### 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 2002	At 1st October 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
Dr A J Higgins (appointed 19th March 2002)	Ordinary A	-	-
	Ordinary B	-	-

# STRATA TECHNOLOGY LIMITED

## DIRECTORS' REPORT

FOR THE PERIOD ENDED 30TH SEPTEMBER 2002

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### 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 2003

# **INDEPENDENT AUDITORS' REPORT TO STRATA TECHNOLOGY LIMITED**

## **UNDER SECTION 247B OF THE COMPANIES ACT 1985**

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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 2002 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 2003

# STRATA TECHNOLOGY LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30TH SEPTEMBER 2002

	Notes	2002 £	2001 £
<b>Gross profit</b>		<b>646,868</b>	<b>1,978,216</b>
Administrative expenses		<u>(848,026)</u>	<u>(1,022,736)</u>
<b>Operating loss/profit</b>	3	<b>(201,158)</b>	<b>955,480</b>
Interest receivable	4	<b>35,641</b>	<b>50,447</b>
Interest payable and similar charges	5	<u>(15,747)</u>	<u>(9,613)</u>
<b>Loss/Profit on ordinary activities before taxation</b>		<b>(181,264)</b>	<b>996,314</b>
Tax on loss/profit on ordinary activities	7	<u><b>56,900</b></u>	<u>(289,086)</u>
<b>Loss/Profit for the financial year</b>	16	<u><b>(124,364)</b></u>	<u><b>707,228</b></u>

All amounts relate to continuing activities.

There were no recognised gains or losses for 2002 or 2001 other than those included in the profit and loss account.

# STRATA TECHNOLOGY LIMITED

## ABBREVIATED BALANCE SHEET

AS AT 30TH SEPTEMBER 2002

	Notes	£	2002 £	£	2001 £
<b>Fixed assets</b>					
Tangible assets	8		1,035,260		1,136,099
<b>Current assets</b>					
Work in progress	9	15,210		-	
Debtors	10	570,179		244,659	
Cash at bank and in hand		490,482		1,231,666	
		1,075,871		1,476,325	
<b>Creditors: amounts falling due within one year</b>	11	(404,275)		(660,164)	
<b>Net current assets</b>			671,596		816,161
<b>Total assets less current liabilities</b>			1,706,856		1,952,260
<b>Creditors: amounts falling due after more than one year</b>	12		(275,351)		(314,771)
<b>Provisions for liabilities and charges</b>					
Deferred taxation	14		(27,983)		(52,733)
			1,403,522		1,584,756
<b>Capital and reserves</b>					
Share capital	15		94,500		105,500
Capital Redemption reserve	16		64,000		53,000
Profit and loss account	16		1,245,022		1,426,256
<b>Shareholders' funds</b>	17		1,403,522		1,584,756

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 2003 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 2002

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### 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 Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

### 3 Operating loss

*The operating loss is stated after charging or crediting:*

	2002	2001
	£	£
Depreciation of tangible fixed assets:		
-owned assets	163,818	88,389
Auditors' remuneration	6,471	4,047

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# STRATA TECHNOLOGY LIMITED

## ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 30TH SEPTEMBER 2002

<b>4</b>	<b>Interest receivable</b>	<b>2002</b>	<b>2001</b>
		<b>£</b>	<b>£</b>
	Bank interest receivable	<u>35,641</u>	<u>50,447</u>

<b>5</b>	<b>Interest payable and similar charges</b>	<b>2002</b>	<b>2001</b>
		<b>£</b>	<b>£</b>
	Interest payable on bank loans and overdrafts	<u>15,747</u>	<u>9,613</u>

### **6 Directors and employees**

Staff costs, including directors' remuneration, were as follows:

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,296,211	1,362,554
Social security costs	105,894	108,349
Other pension costs	132,897	128,624
Other costs	47,215	60,651
	<u>1,582,217</u>	<u>1,660,178</u>

The average monthly number of employees, including directors, during the year was as follows:

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Average number of employees	<u>43</u>	<u>43</u>
	<u>43</u>	<u>43</u>

### Directors' emoluments

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Aggregate emoluments	287,712	312,237
Directors' pension contributions under defined contribution schemes	20,082	19,597
	<u>307,794</u>	<u>331,834</u>

### Highest paid director

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Aggregate emoluments	<u>65,830</u>	<u>80,660</u>
	<u>65,830</u>	<u>80,660</u>

# STRATA TECHNOLOGY LIMITED

## ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 30TH SEPTEMBER 2002

### 7 Taxation

	2002 £	2001 £
Based on the loss/profit for the year:		
UK corporation tax at 32.45% (2001: 28.5%)	(32,150)	275,270
Deferred tax charge	(24,750)	13,816
	<u>(56,900)</u>	<u>289,086</u>

### 8 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Furniture, Equipment & Fixtures £	Total £
<b>Cost</b>					
At 1st October 2001	729,556	13,698	11,708	521,757	1,276,719
Additions	3,493	19,016	34,161	6,309	62,979
<b>At 30th September 2002</b>	<u>733,049</u>	<u>32,714</u>	<u>45,869</u>	<u>528,066</u>	<u>1,339,698</u>
<b>Depreciation</b>					
At 1st October 2001	-	3,827	5,855	130,938	140,620
Charge for the year	-	5,401	7,912	150,505	163,818
<b>At 30th September 2002</b>	<u>-</u>	<u>9,228</u>	<u>13,767</u>	<u>281,443</u>	<u>304,438</u>
<b>Net book value</b>					
<b>At 30th September 2002</b>	<u>733,049</u>	<u>23,486</u>	<u>32,102</u>	<u>246,623</u>	<u>1,035,260</u>
<i>At 30th September 2001</i>	<u>729,556</u>	<u>9,871</u>	<u>5,853</u>	<u>390,819</u>	<u>1,136,099</u>

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

### 9 Stocks

	2002 £	2001 £
Work in progress	15,210	-
	<u>15,210</u>	<u>-</u>

### 10 Debtors

	2002 £	2001 £
Trade debtors	322,704	236,706
Other debtors	215,326	7,953
Deferred taxation	32,149	-
	<u>570,179</u>	<u>244,659</u>

# STRATA TECHNOLOGY LIMITED

## ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 30TH SEPTEMBER 2002

<b>11</b>	<b>Creditors: amounts falling due within one year</b>	<b>2002</b>	<b>2001</b>
		£	£
	Bank loans and overdrafts (Note 13)	32,124	24,828
	Trade creditors	296,614	144,025
	Corporation tax	-	275,271
	Other taxes and social security	62,137	42,812
	Other creditors	7,400	391
	Accruals and deferred income	6,000	172,837
		<u>404,275</u>	<u>660,164</u>

<b>12</b>	<b>Creditors: amounts falling due after more than one year</b>	<b>2002</b>	<b>2001</b>
		£	£
	Bank loans and overdrafts (Note 13)	<u>275,351</u>	<u>314,771</u>

<b>13</b>	<b>Loans and borrowings</b>	<b>2002</b>	<b>2001</b>
		£	£
	<b>Analysis of loans</b>		
	Bank loans and overdraft	<u>307,475</u>	<u>339,599</u>

### Maturity of debt

In one year or less, or on demand	32,124	24,828
In more than one year, but not more than five years	128,496	99,312
In more than five years	<u>146,855</u>	<u>215,459</u>
	<u>307,475</u>	<u>339,599</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.

### 14 Deferred taxation

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

	<b>2002</b>	<b>2001</b>
	£	£
At 1st October 2001	52,733	38,917
Movement in the year	<u>(24,750)</u>	<u>13,816</u>
At 30th September 2002	<u>27,983</u>	<u>52,733</u>

# STRATA TECHNOLOGY LIMITED

## ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 30TH SEPTEMBER 2002

15	Share capital	2002 £	2001 £
	<b>Authorised</b>		
	<b>Equity shares</b>		
	1,000,000 Ordinary shares of £1.00 each	<u>1,000,000</u>	<u>1,000,000</u>
	<b>Allotted</b>		
	<b>Equity shares</b>		
	94,500 Allotted, called up and fully paid ordinary shares of £1.00 each	<u>94,500</u>	<u>105,500</u>

During the year the company purchased 93 ordinary A shares and 10,907 ordinary B shares at £5.17 each.

The company's share capital is divided into 1,779 ordinary A shares and 92,721 ordinary B shares.

16	Reserves	Capital Redemption Reserve £	Profit and loss account £
	At 1st October 2001	53,000	1,426,256
	Loss for the year	-	(124,364)
	Transfers to Capital Redemption reserve	11,000	-
	Repurchase of ordinary shares	-	(56,870)
	<b>At 30th September 2002</b>	<u><b>64,000</b></u>	<u><b>1,245,022</b></u>

17	Reconciliation of movement in shareholders' funds	2002 £	2001 £
	Loss/Profit for the financial year	(124,364)	707,228
	Transfers to reserves	11,000	-
	Repurchase of ordinary shares	(56,870)	(64,395)
	Decrease in the shareholders' funds	(170,234)	642,833
	Opening shareholders' funds	<u>1,573,756</u>	<u>941,923</u>
	Closing shareholders' funds	<u><b>1,403,522</b></u>	<u><b>1,584,756</b></u>

## 18 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 £132,897 (2001: £128,624).