

**Staff Technology Systems Limited**  
**Financial Statements**  
**For the year ended**  
**30 September 2006**



**Company No. 3260170**

# **Staff Technology Systems Limited**

## **Financial Statements**

**Year ended 30 September 2006**

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# **Staff Technology Systems Limited**

## **Officers and Professional Advisers**

### **The board of directors**

P. L. Langstaff  
K. Cawthray

### **Company secretary**

P.L. Langstaff

### **Registered office**

Fairbank House  
Moorfield Business Park  
Yeadon  
Leeds  
LS19 7YA

### **Auditors**

Horwath Clark Whitehill (Yorkshire) LLP  
Chartered Accountants  
& Registered Auditors  
Alexandra House  
Lawnwood Business Park  
Redvers Close  
Leeds  
LS16 6RB

### **Bankers**

Barclays Bank plc  
25 James Street  
Harrogate  
HG1 1QX

# Staff Technology Systems Limited

## Directors' Report

### Year ended 30 September 2006

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 September 2006.

#### Principal activities and business review

The principal activity of the company during the year was that of office equipment supply and maintenance.

The company's balance sheet as detailed on page 7 shows a satisfactory position with shareholders' funds amounting to £486,548.

#### Directors

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

P. L. Langstaff  
P. S. Hudson  
K. Cawthray

The company is a wholly owned subsidiary and the interests of P. L. Langstaff and P. S. Hudson, who are also directors of the holding company, UTI Limited, are disclosed in the financial statements of that company.

P. S. Hudson resigned as a director on 30 May 2006.

#### Donations

During the year the company made the following contributions:

	2006 £	2005 £
Charitable	<u>1,645</u>	<u>-</u>

#### Auditors

A resolution to re-appoint Horwath Clark Whitehill (Yorkshire) LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

# **Staff Technology Systems Limited**

## **Directors' Report** *(continued)*

**Year ended 30 September 2006**

### **Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed by order of the directors

A handwritten signature in black ink, appearing to be 'P.L. Langstaff', written over a horizontal line.

P.L. Langstaff  
Company Secretary

22 December 2006

# **Staff Technology Systems Limited**

## **Statement of Directors' Responsibilities**

**Year ended 30 September 2006**

*The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.*

*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 year. In preparing those financial statements, the directors are required to:*

- select suitable accounting policies, as described on pages 8 to 9, and then apply them consistently;*
- make judgements and estimates that are reasonable and prudent; and*
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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 the directors are aware:*

- there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.*

## **Independent Auditors' Report to the Shareholder of Staff Technology Systems Limited**

We have audited the financial statements of Staff Technology Systems Limited for the year ended 30 September 2006 on pages 6 to 14 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and on the basis of the accounting policies set out on pages 8 to 9.

### **Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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, and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 30 September 2006 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

*Horwath Clark Whitehill  
(Yorkshire) LLP*

Leeds  
22 December 2006

**HORWATH CLARK WHITEHILL  
(YORKSHIRE) LLP**  
Chartered Accountants  
& Registered Auditors

# Staff Technology Systems Limited

## Profit and Loss Account

Year ended 30 September 2006

	Note	2006 £	2005 £
Turnover		2,704,407	2,599,628
Cost of sales		(1,656,229)	(1,686,647)
<b>Gross profit</b>		<b>1,048,178</b>	<b>912,981</b>
Distribution costs		(48,395)	(25,588)
Administrative expenses		(682,308)	(638,410)
<b>Operating profit</b>	<b>2</b>	<b>317,475</b>	<b>248,983</b>
Interest receivable		11,899	8,815
Interest payable and similar charges		(637)	(584)
<b>Profit on ordinary activities before taxation</b>		<b>328,737</b>	<b>257,214</b>
Tax on profit on ordinary activities	<b>4</b>	<b>(89,589)</b>	<b>(78,629)</b>
<b>Profit for the financial year</b>		<b>239,148</b>	<b>178,585</b>

The notes on pages 8 to 14 form part of these financial statements.



# Staff Technology Systems Limited

## Balance Sheet

30 September 2006

	Note	2006 £	2005 £
<b>Fixed assets</b>			
Tangible assets	6	<u>586,671</u>	<u>406,084</u>
<b>Current assets</b>			
Stocks	7	43,867	79,480
Debtors	8	233,558	276,401
Cash at bank and in hand		<u>259,362</u>	<u>410,325</u>
		<b>536,787</b>	<b>766,206</b>
<b>Creditors: Amounts falling due within one year</b>	9	<u>(623,880)</u>	<u>(534,473)</u>
<b>Net current (liabilities)/assets</b>		<b>(87,093)</b>	<b>231,733</b>
<b>Total assets less current liabilities</b>		<u><b>499,578</b></u>	<u><b>637,817</b></u>
<b>Creditors: Amounts falling due after more than one year</b>	10	<u>(417)</u>	<u>(5,417)</u>
		<b>499,161</b>	<b>632,400</b>
<b>Provisions for liabilities</b>			
Deferred taxation	11	(12,613)	-
		<u><b>486,548</b></u>	<u><b>632,400</b></u>
<b>Capital and reserves</b>			
Called-up equity share capital	14	164,169	164,169
Share premium account	15	75,189	75,189
Profit and loss account	16	247,190	393,042
<b>Shareholder's funds</b>		<u><b>486,548</b></u>	<u><b>632,400</b></u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

These financial statements were approved by the directors on the 22 December 2006 and are signed on their behalf by:



P. L. Langstaff

The notes on pages 8 to 14 form part of these financial statements.

# **Staff Technology Systems Limited**

## **Notes to the Financial Statements**

**Year ended 30 September 2006**

### **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 January 2005).

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced for services provided during the year, exclusive of Value Added Tax.

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	-	over 1-3 years
Motor Vehicles	-	over 1-3 years
Equipment	-	over 1-3 years

#### **Stocks**

Stocks 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.

#### **Finance lease agreements**

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

#### **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.

# Staff Technology Systems Limited

## Notes to the Financial Statements

Year ended 30 September 2006

### 1. Accounting policies (continued)

#### Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

#### Deferred taxation

Provision is made at current rates for tax deferred in respect of all material timing differences. Deferred tax balances are not discounted.

Deferred tax assets are only recognised where they arise from timing differences where their recoverability in the short term is regarded as more likely than not.

#### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

### 2. Operating profit

Operating profit is stated after charging/(crediting):

	2006 £	2005 £
Depreciation of owned fixed assets	267,901	242,004
Depreciation of assets held under hire purchase agreements	6,774	5,645
Profit on disposal of fixed assets	(425)	(2,202)
Auditor's remuneration	5,325	7,650

### 3. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2006 £	2005 £
Aggregate emoluments	73,600	83,324
Value of company pension contributions to money purchase schemes	16,274	15,852
Compensation for loss of directorship	15,000	—
	104,874	99,176

The number of directors who accrued benefits under company pension schemes was as follows:

	2006 No	2005 No
Money purchase schemes	2	1

# Staff Technology Systems Limited

## Notes to the Financial Statements

Year ended 30 September 2006

### 4. Taxation on ordinary activities

	2006 £	2005 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 30% (2005 - 30%)	85,842	94,419
Over provision in prior year	(8,866)	(1,051)
Total current tax	76,976	93,368
Deferred tax:		
Origination and reversal of timing differences	12,613	(14,739)
Tax on profit on ordinary activities	<u>89,589</u>	<u>78,629</u>

### 5. Dividends

#### Dividends on equity shares

	2006 £	2005 £
Equity dividends paid on ordinary shares	<u>385,000</u>	<u>—</u>

# Staff Technology Systems Limited

## Notes to the Financial Statements

Year ended 30 September 2006

### 6. Tangible fixed assets

	Plant & Machinery £	Motor Vehicles £	Office Equipment £	Total £
<b>Cost</b>				
At 1 October 2005	721,164	39,882	88,002	849,048
Additions	396,643	57,396	1,222	455,261
Disposals	(152,488)	(19,560)	—	(172,048)
<b>At 30 September 2006</b>	<b>965,319</b>	<b>77,718</b>	<b>89,224</b>	<b>1,132,261</b>
<b>Depreciation</b>				
At 1 October 2005	353,881	24,661	64,422	442,964
Charge for the year	242,634	16,023	16,018	274,675
On disposals	(152,488)	(19,561)	—	(172,049)
<b>At 30 September 2006</b>	<b>444,027</b>	<b>21,123</b>	<b>80,440</b>	<b>545,590</b>
<b>Net book value</b>				
<b>At 30 September 2006</b>	<b>521,292</b>	<b>56,595</b>	<b>8,784</b>	<b>586,671</b>
At 30 September 2005	367,283	15,221	23,580	406,084

#### Hire purchase agreements

Included within the net book value of £586,671 is £7,903 (2005 - £14,678) 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 £6,774 (2005 - £5,645).

#### Capital commitments

	2006 £	2005 £
Contracted but not provided for in the financial statements	<u>187,000</u>	<u>-</u>

### 7. Stocks

	2006 £	2005 £
Raw materials and consumables	<u>43,867</u>	<u>79,480</u>

### 8. Debtors

	2006 £	2005 £
Trade debtors	164,929	197,791
Amounts owed by group undertakings	20,000	40,000
Other debtors	48,629	38,610
	<u>233,558</u>	<u>276,401</u>

# Staff Technology Systems Limited

## Notes to the Financial Statements

Year ended 30 September 2006

### 9. Creditors: Amounts falling due within one year

	2006 £	2005 £
Bank loans and overdrafts	—	844
Trade creditors	324,566	186,099
Corporation tax	85,842	94,419
Other taxation and social security	60,099	87,794
Hire purchase agreements	5,000	5,000
Other creditors	148,373	160,317
	<u>623,880</u>	<u>534,473</u>

### 10. Creditors: Amounts falling due after more than one year

	2006 £	2005 £
Hire purchase agreements	<u>417</u>	<u>5,417</u>

### 11. Deferred taxation

The movement in the deferred taxation provision during the year was:

	2006 £
Profit and loss account movement arising during the year	12,613
Provision carried forward	<u>12,613</u>

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

	2006 £	2005 £
Excess of taxation allowances over depreciation on fixed assets	12,613	-
	<u>12,613</u>	<u>-</u>

### 12. Commitments under operating leases

At 30 September 2006 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2006 £	2005 £
Operating leases which expire:		
Within 1 year	3,925	5,835
Within 2 to 5 years	31,155	34,865
	<u>35,080</u>	<u>40,700</u>

# Staff Technology Systems Limited

## Notes to the Financial Statements

Year ended 30 September 2006

### 13. Related party transactions

#### Ultimate controlling party

On 30 November 2002 the entire share capital of the company was purchased by UTI Limited, a company controlled by P.L. Langstaff, a director of Staff Technology Systems Limited.

#### Transactions

During the year the following transactions took place with UTI Limited:-

a) The company paid management charges to UTI Limited amounting to **£348,000** (2005: £252,000). The balance owing at the balance sheet date being **£Nil** (2005: £ Nil).

b) The company has a loan amount outstanding of **£20,000** at 30 September 2006 (2005: £40,000) from UTI Limited.

c) The company has issued a guarantee in favour of Barclays Bank plc in respect of the bank's loan to UTI Limited which stood at **£Nil** at 30 September 2006 (2005: £10,071).

d) During the year the company paid Mr P.L. Langstaff **£24,000**, (2005: £24,000) in rent in respect of buildings owned by him and used by UTI Limited.

### 14. Share capital

#### Authorised share capital:

	2006 £	2005 £
5,000,000 Ordinary shares of £0.20 each	<u>1,000,000</u>	<u>1,000,000</u>

#### Allotted, called up and fully paid:

	2006 No	£	2005 No	£
Ordinary shares of £0.20 each	<u>820,845</u>	<u>164,169</u>	<u>820,845</u>	<u>164,169</u>

### 15. Share premium account

There was no movement on the share premium account during the financial year.

### 16. Profit and loss account

	2006 £	2005 £
Balance brought forward	<b>393,042</b>	214,457
Profit for the financial year	<b>239,148</b>	178,585
Equity dividends paid	<b>(385,000)</b>	—
Balance carried forward	<u><b>247,190</b></u>	<u>393,042</u>

# **Staff Technology Systems Limited**

## **Notes to the Financial Statements**

**Year ended 30 September 2006**

### **17. Ultimate parent company**

*The ultimate parent undertaking of the company is UTI Limited.*