

SMITH BAXTER LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 JANUARY 2000



SMITH BAXTER LIMITED

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SMITH BAXTER LIMITED

AUDITORS' REPORT TO SMITH BAXTER LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 4, together with the financial statements of the company for the year ended 31 January 2000 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of the director and auditors

The director is responsible for preparing the abbreviated accounts in accordance with section 246 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 sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are 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 financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.



Charles & Co

7-8-00

.....
2 Bath Place
Rivington Street
London EC2A 3JJ

Registered Auditor

SMITH BAXTER LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 JANUARY 2000

	Notes	2000 £	£	1999 £	£
Fixed assets					
Tangible assets	2		20,532		660
Current assets					
Stocks		11,965		11,543	
Debtors		138,721		122,022	
Cash at bank and in hand		12,700		12,338	
		<u>163,386</u>		<u>145,903</u>	
Creditors: amounts falling due within one year		<u>(61,267)</u>		<u>(57,443)</u>	
Net current assets			<u>102,119</u>		<u>88,460</u>
Total assets less current liabilities			<u>122,651</u>		<u>89,120</u>
Creditors: amounts falling due after more than one year			<u>(7,578)</u>		<u>-</u>
			<u>115,073</u>		<u>89,120</u>
Capital and reserves					
Called up share capital	3		2		2
Profit and loss account			<u>115,071</u>		<u>89,118</u>
Shareholders' funds			<u>115,073</u>		<u>89,120</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the board on 27 June 2000


P. D. Smith
Director

SMITH BAXTER LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2000

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	33% Straight line
Office furniture & equipment	25% Reducing balance
Motor vehicles	20% Straight line

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Work in progress

Work in progress is valued at the lower of cost and net realisable value.

1.7 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

1.8 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.9 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

SMITH BAXTER LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2000

2 Fixed assets

	Tangible assets £
Cost	
At 1 February 1999	822
Additions	23,719
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At 31 January 2000	24,541
	<hr/>
Depreciation	
At 1 February 1999	162
Charge for the year	3,847
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At 31 January 2000	4,009
	<hr/>
Net book value	
At 31 January 2000	20,532
	<hr/> <hr/>
At 31 January 1999	660
	<hr/> <hr/>

3 Share capital

	2000 £	1999 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
	<hr/> <hr/>	<hr/> <hr/>
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2
	<hr/> <hr/>	<hr/> <hr/>

4 Ultimate parent company

The ultimate parent company is KH Holdings Limited, a company registered in England.

The ultimate controlling party is Knapp Hicks and Partners, an un-incorporated partnership of two of the Directors of KH Holdings Limited, by virtue of the fact that 61% of the issued ordinary share capital of that company is owned by these partners or their close family.