

Registration number 2182529

The SMD Group Limited
Abbreviated accounts
for the year ended 31 December 2004



**Independent auditors' report to The SMD Group Limited
under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 2 to 5 together with the financial statements of The SMD Group Limited for the year ended 31 December 2004 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' 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 and the company's shareholders 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 are responsible for preparing 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 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 in respect of the year ended 31 December 2004, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.



**Critchleys
Chartered Accountants
Registered Auditor**

**10 Marlborough Street
Faringdon
Oxon
SN7 7JP**

4 July 2005

The SMD Group Limited

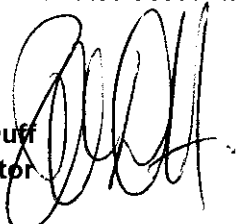
**Abbreviated balance sheet
as at 31 December 2004**

		2004		2003	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	2		101,570		114,160
Investments	2		4		4
			<u>101,574</u>		<u>114,164</u>
Current assets					
Stocks		407,432		314,158	
Debtors		721,416		434,834	
Cash at bank and in hand		17,613		10,378	
		<u>1,146,461</u>		<u>759,370</u>	
Creditors: amounts falling due within one year		<u>(1,035,398)</u>		<u>(892,870)</u>	
Net current assets/(liabilities)			<u>111,063</u>		<u>(133,500)</u>
Total assets less current liabilities			212,637		(19,336)
Creditors: amounts falling due after more than one year	3		(158,031)		(148,883)
Net assets/(liabilities)			<u>54,606</u>		<u>(168,219)</u>
Capital and reserves					
Called up share capital	4		48,436		60,436
Share premium account			219,685		219,685
Capital redemption reserve			12,000		-
Profit and loss account			<u>(225,515)</u>		<u>(448,340)</u>
Shareholders' funds			<u>54,606</u>		<u>(168,219)</u>

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

The abbreviated accounts were approved by the Board on **30th June 2005** and signed on its behalf by

P A Duff
Director



The notes on pages 3 to 5 form an integral part of these audited financial statements.

The SMD Group Limited

Notes to the abbreviated financial statements for the year ended 31 December 2004

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Leasehold properties	-	Straight line over the life of the lease
Plant and machinery	-	20% straight line
Fixtures, fittings and equipment	-	25% straight line
Motor vehicles	-	33.33% 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 constant periodic rates of charge on the net obligations outstanding in each period.

1.6. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7. Stock

Stock is valued at the lower of cost and net realisable value.

1.8. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

1.9. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

1.10. Group accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts.

The SMD Group Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2004**

2. Fixed assets	Tangible fixed assets £	Investments £	Total £
Cost			
At 1 January 2004	218,667	4	218,671
Additions	29,581	-	29,581
At 31 December 2004	<u>248,248</u>	<u>4</u>	<u>248,252</u>
Depreciation and			
At 1 January 2004	104,507	-	104,507
Charge for year	42,171	-	42,171
At 31 December 2004	<u>146,678</u>	<u>-</u>	<u>146,678</u>
Net book values			
At 31 December 2004	<u>101,570</u>	<u>4</u>	<u>101,574</u>
At 31 December 2003	<u>114,160</u>	<u>4</u>	<u>114,164</u>

2.1. Investment details	2004 £	2003 £
Subsidiary undertaking	<u>4</u>	<u>4</u>

Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration	Nature of business	Shares held Class	%
Subsidiary undertaking				
SMD (UK) Limited	England	Dormant	Ordinary	100%
PR+ UK Limited	England	Dormant	Ordinary	100%

3. Creditors: amounts falling due after more than one year	2004 £	2003 £
Creditors include the following:		
Secured creditors	<u>304,421</u>	<u>184,146</u>

The SMD Group Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2004**

4. Share capital	2004 £	2003 £
Authorised		
50,000 Ordinary shares of 1p each	500	500
75,000 Preference shares of £1 each	75,000	75,000
	<u>75,500</u>	<u>75,500</u>
 Allotted, called up and fully paid		
43,622 Ordinary shares of 1p each	436	436
48,000 Preference shares of £1 each	48,000	60,000
	<u>48,436</u>	<u>60,436</u>

5. Controlling Interest

The company is controlled by P A Duff, the majority voting shareholder and a director.