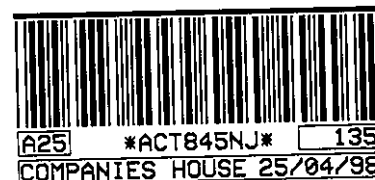


REGISTRAR OF COMPANIES COPY
Company No: 2035607

IAN SMITH ELECTRICAL LIMITED

**Abbreviated Balance Sheet
and Financial Statements
Year Ended 31 July 1997**

**LEONARD E. PARR & CO.
CHARTERED CERTIFIED ACCOUNTANTS
AND REGISTERED AUDITORS**



IAN SMITH ELECTRICAL LIMITED

**AUDITORS' REPORT TO IAN SMITH ELECTRICAL 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 company for the year ended 31 July 1997 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 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 consider 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 5 are properly prepared in accordance with those provisions.

**5 Avenue Road
Grantham, Lincs.
NG31 6LW**



LEONARD E. PARR & CO.

16 March 1998

**Chartered Certified Accountants
and Registered Auditors**

IAN SMITH ELECTRICAL LIMITED**ABBREVIATED BALANCE SHEET AS AT 31 JULY 1997**

	Notes	1997	1996
Fixed assets			
Tangible assets	2	35140	24124
Current assets			
Stocks		33390	14800
Debtors		227847	186498
Cash in hand		<u>287</u>	<u>88</u>
		261524	201386
Creditors: amounts falling due within one year		<u>(170890)</u>	<u>(125711)</u>
Net current assets		<u>90634</u>	<u>75675</u>
Total assets less current liabilities		125774	99799
Creditors: amounts falling due after more than one year	3	<u>(69691)</u>	<u>(51098)</u>
Net assets		<u>£56083</u>	<u>£48701</u>
Capital and reserves			
Called-up share capital	4	100	100
Profit and loss account		<u>55983</u>	<u>48601</u>
Equity shareholders' funds		<u>£56083</u>	<u>£48701</u>

The financial statements which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985, applicable to small companies, were approved by the board on 16 March 1998, and signed on its behalf.



Director

The notes on pages 2 to 5 form an integral part of these abbreviated financial statements.

IAN SMITH ELECTRICAL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 1997

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 cash flow statement because it is a small company.

1.2 Turnover

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

1.3 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:

Tools and equipment	:	10% straight line
Office equipment	:	20% straight line
Motor vehicles	:	20% straight line

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and are 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.

1.5 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value.

1.6 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

IAN SMITH ELECTRICAL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 1997

(CONTINUED)

	1997			1996
2. Tangible Assets				
	Tools	Office equipment	Motor vehicles	Total
Cost				
At 1 August 1996	2893	13004	44761	60658
Additions	<u>391</u>	<u>2214</u>	<u>23928</u>	<u>26533</u>
At 31 July 1997	<u>3284</u>	<u>15218</u>	<u>68689</u>	<u>87191</u>
Depreciation				
At 1 August 1996	1693	9796	25046	36535
Charge for the year	<u>328</u>	<u>1796</u>	<u>13392</u>	<u>15516</u>
At 31 July 1997	<u>2021</u>	<u>11592</u>	<u>38438</u>	<u>52051</u>
Net book values				
At 31 July 1997	<u>£1263</u>	<u>£3626</u>	<u>£30251</u>	<u>£35140</u>
At 31 July 1996	<u>£1200</u>	<u>£3208</u>	<u>£19715</u>	<u>£24123</u>

Included above are assets held under hire purchase contracts as follows:

	1997		1996	
Asset description	Net book value	Depreciation charge	Net book value	Depreciation charge
Motor Vehicles	<u>£30251</u>	<u>£13392</u>	<u>£19715</u>	<u>£8606</u>

IAN SMITH ELECTRICAL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 1997

(CONTINUED)

	1997	1996
3. Creditors: amounts falling due after more than one year		
Directors loan account	64709	47202
Net obligation under finance leases and hire purchase contracts	<u>4982</u>	<u>3896</u>
	<u>£69691</u>	<u>£51098</u>

The directors loans are interest free, and there is no fixed date for repayment.

Net obligations under finance leases and hire purchase contracts

Repayable within one year	(8233)	(4153)
Repayable between one and five years	<u>(4982)</u>	<u>(3896)</u>
	<u>£(13215)</u>	<u>£(8049)</u>

4. Share Capital

Authorised equity

10000 Ordinary shares of £1 each	£10000	£10000
----------------------------------	--------	--------

Allotted, called up and fully paid equity

100 Ordinary shares of £1 each	£100	£100
--------------------------------	------	------

5. Transactions with directors

A rent of £5800 is paid to Mr I and Mrs S Smith during the year for use of the business premises.