

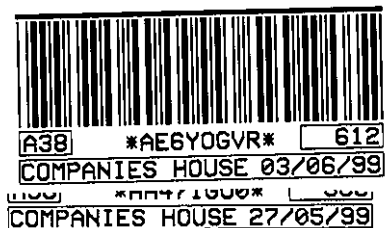
REGISTRAR OF COMPANIES COPY
Company No: 2035607

IAN SMITH ELECTRICAL LIMITED

**Abbreviated Balance Sheet
and Financial Statements
Year Ended 31 July 1998**

LEONARD E. PARR & CO.

**CHARTERED CERTIFIED ACCOUNTANTS
AND REGISTERED AUDIT**



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 1998 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.

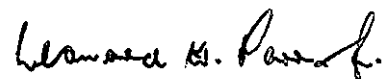
Basis of Opinion

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.

29 April 1999

**Chartered Certified Accountants
and Registered Auditors**

IAN SMITH ELECTRICAL LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 JULY 1998

	Notes	1998	1997
Fixed assets			
Tangible assets	2	72,482	35,140
Current assets			
Stocks and work in progress		17,500	33,390
Debtors		187,928	227,847
Cash at bank and in hand		<u>29,213</u>	<u>287</u>
		234,641	261,524
Creditors: amounts falling due within one year		<u>(182,370)</u>	<u>(195,599)</u>
Net current assets		<u>52,271</u>	<u>65,925</u>
Total assets less current liabilities		124,753	101,065
Creditors: amounts falling due after more than one year	3	<u>(42,985)</u>	<u>(44,982)</u>
Net assets		<u>£81,768</u>	<u>£56,083</u>
Capital and reserves			
Called-up share capital	4	100	100
Profit and loss account		<u>81,668</u>	<u>55,983</u>
Equity shareholders' funds	5	<u>£81,768</u>	<u>£56,083</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 22 April 1999, and signed on its behalf.

Director




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

IAN SMITH ELECTRICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1998

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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1998

(CONTINUED)

2. Tangible Assets

	Tools	Office equipment	Motor vehicles	Total
Cost				
At 1 August 1997	3,284	15,219	68,689	87,192
Additions	-	6,021	62,492	68,513
Disposals	<u>-</u>	<u>-</u>	<u>(36,294)</u>	<u>(36,294)</u>
At 31 July 1998	<u>3,284</u>	<u>21,240</u>	<u>94,887</u>	<u>119,411</u>
Depreciation				
At 1 August 1997	2,022	11,591	38,438	52,051
On disposals	-	-	(25,185)	(25,185)
Charge for the year	<u>249</u>	<u>2,530</u>	<u>17,284</u>	<u>20,063</u>
At 31 July 1998	<u>2,271</u>	<u>14,121</u>	<u>30,537</u>	<u>46,929</u>
Net book values				
At 31 July 1998	<u>£1,013</u>	<u>£7,119</u>	<u>£64,350</u>	<u>£72,482</u>
At 31 July 1997	<u>£1,263</u>	<u>£3,626</u>	<u>£30,251</u>	<u>£35,140</u>

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

	1988		1997	
Asset description	Net book value	Depreciation charge	Net book value	Depreciation charge
Motor Vehicles	<u>£36,426</u>	<u>£7,803</u>	<u>£30,251</u>	<u>£13,392</u>

IAN SMITH ELECTRICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1997

(CONTINUED)

	1998	1997
3. Creditors: amounts falling due after more than one year		
Directors loan account	40,000	40,000
Net obligation under finance leases and hire purchase contracts	<u>2,985</u>	<u>4,982</u>
	<u>£42,985</u>	<u>£44,982</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	(8,789)	(8,233)
Repayable between one and five years	<u>(2,985)</u>	<u>(4,982)</u>
	<u>£(11,774)</u>	<u>£(13,215)</u>

4. Share Capital

Authorised equity

10000 Ordinary shares of £1 each	<u>£10000</u>	<u>£10000</u>
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Allotted, called up and fully paid equity

100 Ordinary shares of £1 each	<u>£100</u>	<u>£100</u>
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5. Transactions with directors

A rent of £6,800 (1997: £5,800) is paid to Mr I and Mrs S Smith during the year for use of the business premises.