

SMITH SCOTT MULLAN + ASSOCIATES LTD

ABBREVIATED FINANCIAL STATEMENTS

30 JUNE 1996

Registered number: 149821

MCDONALD GORDON & CO LIMITED

CERTIFIED ACCOUNTANTS

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SMITH SCOTT MULLAN + ASSOCIATES LTD

AUDITORS' REPORT ON ABBREVIATED FINANCIAL STATEMENTS

Auditors' report to

pursuant to paragraph 24 of Schedule 8
to the Companies Act 1985

We have examined the abbreviated financial statements on pages 2 to 5 together with the financial statements of the company prepared under section 226 of the Companies Act 1985 for the year ended 30 June 1996.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 2 and whether the abbreviated financial statements have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated financial statements have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 30 June 1996, and the abbreviated financial statements on pages have been properly prepared in accordance with that Schedule.

Other information

On 23 AUGUST 1996 we reported, as auditors of the company, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 30 June 1996, and our audit report was as follows:

'We have audited the financial statements on pages 5 to 10 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

continued

SMITH SCOTT MULLAN + ASSOCIATES LTD

AUDITORS' REPORT ON ABBREVIATED FINANCIAL STATEMENTS
(continued)

Auditors' report to
pursuant to paragraph 24 of Schedule 8
to the Companies Act 1985

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 error or other irregularity. 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 of the state of the company's affairs as at 30 June 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.'



McDonald Gordon & Co Limited
Registered Auditors
Certified Accountants

23 August 1996

SMITH SCOTT MULLAN + ASSOCIATES LTD

ABBREVIATED BALANCE SHEET

at 30 June 1996

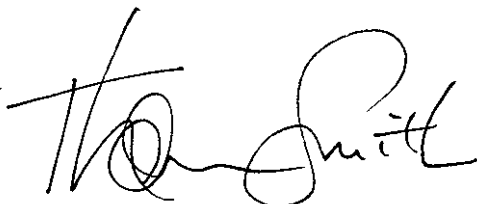
	Note	1996		1995	
		£	£	£	£
Fixed assets					
Intangible assets	2		22,459		29,945
Tangible assets	2		21,833		27,324
			<u>44,292</u>		<u>57,269</u>
Current assets					
Stocks		21,050		20,000	
Debtors	3	48,968		39,133	
Cash at bank and in hand		5,460		24,737	
		<u>75,478</u>		<u>83,870</u>	
Creditors: amounts becoming due and payable within one year		(75,644)		(101,200)	
Net current liabilities			(166)		(17,330)
Total assets less current liabilities			44,126		39,939
Creditors: amounts becoming due and payable after more than one year	4		(11,198)		(14,597)
			<u>32,928</u>		<u>25,342</u>
Capital and reserves					
Called up share capital	5		24,000		20,000
Profit and loss account			8,928		5,342
Total shareholders' funds			<u>32,928</u>		<u>25,342</u>

The directors have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

In the preparation of the company's annual financial statements, the directors have taken advantage of special exemptions applicable to small companies under Part I of Schedule 8 to the Companies Act 1985 on the grounds that, in their opinion, the company is entitled to those exemptions.

The abbreviated financial statements on pages 2 to 5 were approved by the board of directors on .

Thomas Smith
Director

 25-8-96

SMITH SCOTT MULLAN + ASSOCIATES LTD

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 June 1996

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available in Section 246 to 247 of the Companies Act 1985 for small companies.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Motor vehicles	25% reducing balance
Equipment, fixtures and fittings	25% reducing balance
Goodwill	5 years straight line

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Stocks and work in progress

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

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NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 June 1996

2 Fixed assets

Cost or valuation	Intangible fixed assets £	Tangible fixed assets £	Total £
1 July 1995	37,431	34,027	71,458
Additions	-	1,787	1,787
30 June 1996	37,431	35,814	73,245
Depreciation			
1 July 1995	7,486	6,703	14,189
Charge for year	7,486	7,278	14,764
30 June 1996	14,972	13,981	28,953
Net book amount			
30 June 1996	22,459	21,833	44,292
1 July 1995	29,945	27,324	57,269

The net book amount of fixed assets includes £5,621 (1995 £7,495) in respect of assets held under finance leases and hire purchase contracts.

3 Debtors

	1996 £	1995 £
Amounts falling due within one year	48,968	39,133

4 Creditors: amounts becoming due and payable after more than one year

Other creditors	11,198	14,597

Creditors include the following amounts:

**Obligations under finance leases
and hire purchase contracts:**

In the next year	9,293	9,395
In the second to fifth year	2,198	4,597
	11,491	13,992

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NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 June 1996

5 Called up share capital

	1996		1995	
	Number of	£	Number of	£
	shares		shares	
Authorised				
Equity shares				
Ordinary shares	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Allotted called up and fully paid				
Equity shares				
Ordinary shares	<u>24,000</u>	<u>24000</u>	<u>20,000</u>	<u>20,000</u>

On 30 June 1996, 4,000 ordinary shares of £1 each with an aggregate nominal value of £4,000 were issued by way of capitalisation issue.