

Company Registration No. 50470 (England and Wales)

CAMPBELL SMITH AND COMPANY LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003



CAMPBELL SMITH AND COMPANY LIMITED

CONTENTS

	Page
Director's report	1
Independent auditors' report	2
Profit and loss account	3
Balance sheet	4
Notes to the financial statements	5 - 9

CAMPBELL SMITH AND COMPANY LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2003

The director presents his report and financial statements for the year ended 31 March 2003.

Principal activities

The principal activity of the company during the year was that of decorators, including the restoration of ecclesiastical and historical buildings.

Directors

The following directors have held office since 1 April 2002:

R Cousins

P M Lichtensteiger

(Resigned 31 January 2003)

A R Skidmore

(Resigned 31 January 2003)

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 March 2003	1 April 2002
R Cousins	-	-
P M Lichtensteiger	-	-
A R Skidmore	-	-

Auditors

Howard Lee, Fellows & Co were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

Director's responsibilities

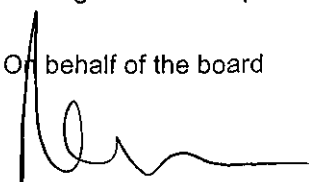
Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



R Cousins

Director

16 January 2004

CAMPBELL SMITH AND COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CAMPBELL SMITH AND COMPANY LIMITED

We have audited the financial statements of Campbell Smith and Company Limited on pages 3 to 9 for the year ended 31 March 2003. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the director and auditors

As described in the statement of director's responsibilities on page 1 the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the director's report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and transactions with the company is not disclosed.

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

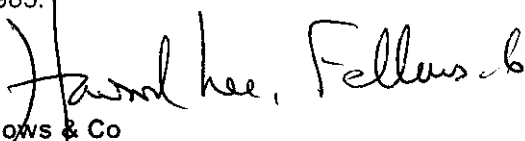
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 director 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 other irregularity or error. 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 31 March 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Howard Lee, Fellows & Co

16 January 2004

Chartered Accountants
Registered Auditor

2 Clockhouse Road
Farnborough
Hampshire
GU14 7QY

CAMPBELL SMITH AND COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2003

	Notes	2003 £	2002 £
Turnover		911,442	556,290
Cost of sales		(632,990)	(474,310)
Gross profit		<u>278,452</u>	<u>81,980</u>
Administrative expenses		(285,401)	(89,097)
Other operating income		-	48,164
Operating (loss)/profit	2	<u>(6,949)</u>	<u>41,047</u>
Interest payable and similar charges		(5,825)	(111)
(Loss)/profit on ordinary activities before taxation		<u>(12,774)</u>	<u>40,936</u>
Tax on (loss)/profit on ordinary activities		-	-
(Loss)/profit on ordinary activities after taxation	10	<u><u>(12,774)</u></u>	<u><u>40,936</u></u>

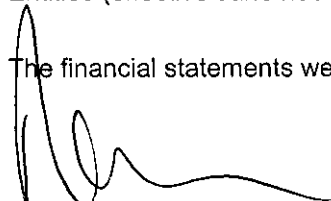
CAMPBELL SMITH AND COMPANY LIMITED

BALANCE SHEET AS AT 31 MARCH 2003

		2003		2002 as restated	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	3		-		64,400
Tangible assets	4		9,557		20,687
			<u>9,557</u>		<u>85,087</u>
Current assets					
Stocks	5	114,768		96,554	
Debtors	6	42,843		34,005	
Cash at bank and in hand		64,915		-	
		<u>222,526</u>		<u>130,559</u>	
Creditors: amounts falling due within one year	7	<u>(215,252)</u>		<u>(134,057)</u>	
Net current assets/(liabilities)			<u>7,274</u>		<u>(3,498)</u>
Total assets less current liabilities			<u>16,831</u>		<u>81,589</u>
Creditors: amounts falling due after more than one year	8		-		(51,984)
			<u>16,831</u>		<u>29,605</u>
Capital and reserves					
Called up share capital	9		83,889		83,889
Profit and loss account	10		(67,058)		(54,284)
Shareholders' funds			<u>16,831</u>		<u>29,605</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 16 January 2004



R Cousins
Director

CAMPBELL SMITH AND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

1 Accounting policies

1.1 Accounting convention

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

1.2 Turnover and profits

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

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract.

1.3 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

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:

Plant and machinery	10% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance

1.5 Stock

Work in progress is valued at the lower of cost and net realisable value, except that the duration of some contracts included in work in progress may exceed twelve months. In practice this may be reduced to less than twelve months and no clear distinction can be made between short and long-term work in progress.

Therefore, as is widely adopted practice in the construction industry, all contract work in progress is stated at cost plus attributable profit less foreseeable losses and progress payment received and receivable. Attributable profit is that part of the total profit currently estimated to arise over the duration of each contract which fairly reflects the profit attributable to the work performed by the balance sheet date.

A foreseeable loss is that which is currently expected to arise over the duration of any contract irrespective of the amount of work carried out at the balance sheet date.

1.6 Prior year adjustment

Within the accounts for the year ended 31 March 2002, the work in progress figure was classified as amounts recoverable on long term contracts. This has been reclassified as stock for the current year, and the comparative figure for the previous year has been restated.

CAMPBELL SMITH AND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

2	Operating (loss)/profit	2003	2002
		£	£
	Operating (loss)/profit is stated after charging:		
	Amortisation of intangible assets	-	600
	Depreciation of tangible assets	2,630	5,814
	Auditors' remuneration	2,000	2,000
	Director's emoluments	57,488	38,932
		<u> </u>	<u> </u>
3	Intangible fixed assets		
			Goodwill
			£
	Cost		
	At 1 April 2002		65,000
	Disposals		(65,000)
			<u> </u>
	At 31 March 2003		-
			<u> </u>
	Amortisation		
	At 1 April 2002		600
	Amortisation on disposals		(600)
			<u> </u>
	At 31 March 2003		-
			<u> </u>
	Net book value		
	At 31 March 2003		-
			<u> </u>
	At 31 March 2002		64,400
			<u> </u>

CAMPBELL SMITH AND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

4 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 April 2002	94,733
Disposals	(8,500)
	<hr/>
At 31 March 2003	86,233
	<hr/>
Depreciation	
At 1 April 2002	74,046
On disposals	(1,500)
Charge for the year	4,130
	<hr/>
At 31 March 2003	76,676
	<hr/>
Net book value	
At 31 March 2003	9,557
	<hr/>
At 31 March 2002	20,687
	<hr/>

5 Stocks	2003	2002 as restated
	£	£
Stocks	7,600	2,650
Work in progress	107,168	93,904
	<hr/>	<hr/>
	114,768	96,554
	<hr/>	<hr/>

6 Debtors	2003	2002 as restated
	£	£
Trade debtors	25,309	31,180
Amounts owed by group undertakings	17,161	-
Other debtors	-	2,452
Corporation tax repayable	373	373
	<hr/>	<hr/>
	42,843	34,005
	<hr/>	<hr/>

CAMPBELL SMITH AND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

7	Creditors: amounts falling due within one year	2003	2002
		£	£
	Bank loans and overdrafts	-	52,800
	Trade creditors	17,313	21,025
	Amounts owed to group undertakings	56,363	15,180
	Taxation and social security	80,069	22,974
	Other creditors	61,507	22,078
		<u>215,252</u>	<u>134,057</u>
8	Creditors: amounts falling due after more than one year	2003	2002
		£	£
	Other creditors	-	51,984
		<u>-</u>	<u>51,984</u>
	Analysis of loans		
	Wholly repayable within five years	-	51,984
		<u>-</u>	<u>51,984</u>
9	Share capital	2003	2002
		£	£
	Authorised		
	250,000 Ordinary shares of £ 1 each	250,000	250,000
		<u>250,000</u>	<u>250,000</u>
	Allotted, called up and fully paid		
	83,889 Ordinary shares of £ 1 each	83,889	83,889
		<u>83,889</u>	<u>83,889</u>
10	Statement of movements on profit and loss account		Profit and loss account
			£
	Balance at 1 April 2002		(54,284)
	Retained loss for the year		(12,774)
			<u>(67,058)</u>
	Balance at 31 March 2003		<u>(67,058)</u>

CAMPBELL SMITH AND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

11 Control

The ultimate parent company is Cousins (Group Holdings) Limited, which is registered in England and Wales. A copy of that company's accounts may be obtained from Companies House, Cardiff upon payment of the appropriate fee.

12 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

Walter Smith (Leeds) Limited is an 80% owned subsidiary of Cousins (Group Holdings) Limited. During the year Campbell Smith and Company Limited received management charges of £nil (2002: £6,507) from Walter Smith (Leeds) Limited.