

CAMPBELL SMITH & COMPANY LIMITED
BALANCE SHEET AS AT 31ST DECEMBER 1994

COMPANY NO. 50470

		<u>1994</u>	<u>1993</u>
FIXED ASSETS	<u>Note</u>		
Tangible Assets	2	29,014	182,872
CURRENT ASSETS			
Tangible Assets	2	120,000	-
Stocks		7,838	6,502
Debtors	3	221,115	193,358
Cash at Bank and in Hand		<u>478</u>	<u>321</u>
		349,431	200,181
CREDITORS : Amounts falling due within one year	4	<u>309,172</u>	<u>287,477</u>
NET CURRENT ASSETS (LIABILITIES)		<u>40,259</u>	<u>(87,296)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£69,273</u>	<u>£95,576</u>
CAPITAL AND RESERVES			
Called-up Share Capital	7	83,889	83,889
Revaluation Reserve	9	-	26,536
Profit and Loss Account	9	<u>(14,616)</u>	<u>(14,849)</u>
		<u>£69,273</u>	<u>£95,576</u>

The directors have taken advantage, in preparation of the financial statements, of special exemptions applicable to small companies under Schedule 8 Part I of the Companies Act 1985. In the opinion of the directors the company qualifies as a small company and is entitled to make use of the special exemptions.

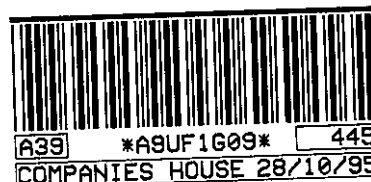
Advantage has been taken of the exemptions for small sized companies conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the grounds that, in the directors' opinion, the company is entitled to benefit from those exemptions as a small sized company.

Approved by the board of Directors on 24th October 1995 and signed on their behalf by :

K. E. Gibbs
K. E. GIBBS : DIRECTOR

K. Campbell
K. CAMPBELL : DIRECTOR

For further information regarding the above see the annexed notes on the financial statements, which form an integral part of these financial statements.



CAMPBELL SMITH & COMPANY LIMITED

NOTES ON THE FINANCIAL STATEMENTS 31ST DECEMBER 1994

1. ACCOUNTING POLICIES

Accounting Convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain tangible fixed assets.

Tangible Fixed Assets and Depreciation

Depreciation is provided on the cost or valuation of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates are :

Plant and Equipment	10%	Reducing Balance
Motor Vehicles	25%	Reducing Balance
Fixtures and Fittings	5%	Reducing Balance
Computer and Office Equipment	25%	Straight Line

The freehold land and buildings have been revalued at their open market value of £120,000 at 31st December 1994.

The freehold land and buildings have been reclassified as current assets as at 31st December 1994. The property had been on the market for some time at that date, and was subsequently sold in January 1995. The directors believe that this disclosure is a fair reflection of the company's intention to sell the property and acquire smaller premises.

Stocks

Stocks of materials are stated at the lower of cost and net realisable value. Work in progress is stated at the lower of cost and net realisable value where costs includes attributable profits less foreseeable losses on long term contracts.

Turnover

Turnover consists of the invoiced value, excluding VAT, of goods and services supplied to third parties.

Deferred Taxation

Provision for deferred taxation is made under the liability method only to the extent that it is probable that the liability will become payable in the foreseeable future.

CAMPBELL SMITH & COMPANY LIMITED**NOTES ON THE FINANCIAL STATEMENTS 31ST DECEMBER 1994****2. FIXED ASSETS**

Tangible Assets	Land and Buildings	Plant and Machinery etc	Total
Cost or Valuation			
Brought forward	163,175	97,296	260,471
Additions	-	340	340
Revaluation	(39,710)	-	(39,710)
Reclassification	(123,465)	-	(123,465)
Carried forward	<u>£ Nil</u>	<u>£97,636</u>	<u>£ 97,636</u>
Comprising :			
Cost	-	97,636	97,636
Valuation 31st December 1994	-	-	-
	<u>£ Nil</u>	<u>£97,636</u>	<u>£97,636</u>
Depreciation			
Brought forward	13,175	64,424	77,599
Charge for year	3,465	4,198	7,663
Revaluation	(13,175)	-	(13,175)
Reclassification	(3,465)	-	(3,465)
Carried forward	<u>£ Nil</u>	<u>£68,622</u>	<u>£68,622</u>
Net Book Values			
At 31st December 1994	<u>£ Nil</u>	<u>£29,014</u>	<u>£29,014</u>
At 31st December 1993	<u>£150,000</u>	<u>£32,872</u>	<u>£182,872</u>

The freehold land and buildings have been revalued at their open market value, and reclassified as current assets as at 31st December 1994 to reflect the company's intention to sell the property. The property was subsequently sold in January 1995 for £120,000.

3. DEBTORS	1994	1993
Long term contract balances	130,834	123,048
Trade debtors	67,102	66,332
Others	<u>23,179</u>	<u>3,978</u>
	<u>£221,115</u>	<u>£193,358</u>

CAMPBELL SMITH & COMPANY LIMITED**NOTES ON THE FINANCIAL STATEMENTS 31ST DECEMBER 1994**

4. CREDITORS: Amounts falling due within one year	<u>1994</u>	<u>1993</u>
Bank loans and overdrafts	102,489	118,490
Trade creditors	65,940	42,020
Tax and social security	33,197	10,324
Other creditors	<u>107,546</u>	<u>116,643</u>
	<u>£309,172</u>	<u>£287,477</u>

The bank loans and overdrafts amounting to £102,489 (1993 : £118,490) are secured by a mortgage over the company's freehold premises and by a director's personal guarantee.

5. BORROWINGS	<u>1994</u>	<u>1993</u>
Due within one year :		
Other	<u>£102,489</u>	<u>£118,490</u>

6. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation comprises:

	Amounts not Provided	
	<u>1994</u>	<u>1993</u>
Capital allowances	3,716	3,586
Unrelieved tax losses	(101,306)	(104,525)
Short term timing differences	(164)	(2,107)
	<u>£ Nil</u>	<u>£ Nil</u>

7. SHARE CAPITAL	<u>1994</u>	<u>1993</u>
Authorised		
250,000 ordinary shares of £1 each	<u>£250,000</u>	<u>£250,000</u>
Issued and Fully Paid		
83,889 ordinary shares of £1 each	<u>£ 83,889</u>	<u>£83,889</u>

**AUDITORS' REPORT TO THE DIRECTORS OF CAMPBELL SMITH & COMPANY LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985.**

We have examined the attached abbreviated financial statements together with the financial statements of Campbell Smith & Company Limited prepared under S226 of the Companies Act 1985 for the year ended 31st December 1994.

Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing the abbreviated accounts 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 4 and whether the abbreviated accounts 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 accounts 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 S246 and S247 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 31st December 1994, and the abbreviated financial statements have been properly prepared in accordance with that Schedule.

Other information

On we reported as auditors of Campbell Smith & Company Limited, to the members on the financial statements prepared under S226 of the Companies Act 1985 for the year ended 31st December 1994, and our audit report was as follows:

We have audited the financial statements on pages 3 to 8 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 5.

Respective Responsibilities of Directors and Auditors

As described on page 1 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.

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 other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

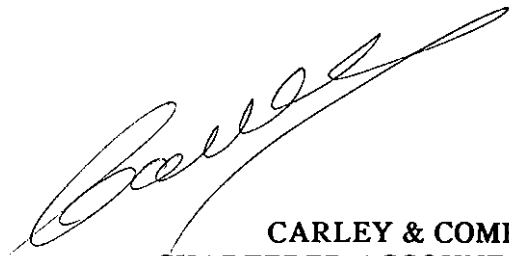
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**AUDITORS' REPORT TO THE DIRECTORS OF CAMPBELL SMITH & COMPANY LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985. (Continued)**

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Company's affairs as at 31st December 1994 and its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985, as applicable to small companies.

St James's House
8 Overcliffe,
Gravesend, Kent
DA11 0HJ



CARLEY & COMPANY
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR

Date: 27th October 1995