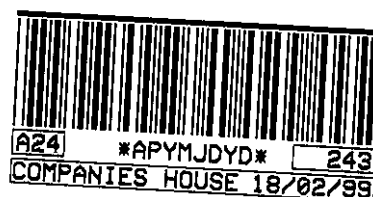


SMT HOLDINGS LIMITED
REPORT AND ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
30TH SEPTEMBER 1998

Miell and Company
Registered Auditor
Cranbrook House
287-291 Banbury Road, Oxford
OX2 7JQ

COMPANY NUMBER: 3161654



SMT HOLDINGS LIMITED

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AUDITORS' REPORT

TO THE SHAREHOLDERS OF SMT HOLDINGS LIMITED
PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5 together with the financial statements of SMT Holdings Limited prepared under Section 226 of the Companies Act 1985 for the year ended 30th September 1998.

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 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 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 have been properly prepared in accordance with those provisions.

OXFORD
15TH FEBRUARY 1999


MIELL AND COMPANY
REGISTERED AUDITOR

ACCOUNTING POLICIES

ACCOUNTING CONVENTION

These accounts have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities.

TURNOVER

Turnover represents the value of goods and services provided, stated net of value added tax.

DEPRECIATION

Depreciation has been provided on the following class of fixed asset at rates calculated so as to write off the cost less residual value over the estimated useful life. The charge for depreciation has been apportioned where an asset has been purchased during the year.

Motor vehicles	Reducing balance basis at 25% per annum
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GOING CONCERN

The financial statements have been prepared on a going concern basis, the validity of which depends upon the continued support of the bank and others. The financial statements do not include any adjustments that would result from a withdrawal of borrowing facilities or repayment of the loans.

If the going concern basis were not appropriate, adjustments would have to be made to reduce the value of assets to their recoverable amounts, to provide any further liabilities that might arise and to reclassify fixed assets as current assets.

DEFERRED TAXATION

Deferred taxation is the taxation attributable to timing differences between profits computed for taxation purposes and profits as stated in the financial statements and is provided to the extent that it is probable that a liability or asset will crystallise in the foreseeable future.

LEASE AND HIRE PURCHASE TRANSACTIONS

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet at their fair value and depreciated over their useful lives.

The interest element is charged to the profit and loss account over the period of the agreement, using the straight line basis. The commitment to pay future rental payments is recorded within the Balance Sheet liabilities, net of the interest element.

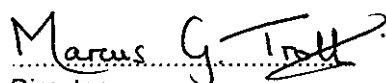
Payments made under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

ABBREVIATED BALANCE SHEET
AT 30TH SEPTEMBER 1998

		1998 £	1997 £
FIXED ASSETS			
Tangible assets	(Note 2)	1625	3637
Investments	(Note 3)	481980	481980
		-----	-----
		483605	485617
		=====	=====
CURRENT ASSETS			
Cash at bank and in hand		14867	4812
CREDITORS: Amounts falling due within one year	(Note 4)	77872	69394
		-----	-----
NET CURRENT LIABILITIES		(63005)	(64582)
		=====	=====
TOTAL ASSETS LESS CURRENT LIABILITIES		420600	421035
CREDITORS: Amounts falling due after more than one year	(Note 4)	280047	333277
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation		109	109
		-----	-----
		140444	87649
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	(Note 5)	45000	45000
Profit and loss account		95444	42649
		-----	-----
		140444	87649
		=====	=====

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These accounts were approved at a
Board Meeting on 2-2-99


Director


Director

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30TH SEPTEMBER 1998

1. ACCOUNTING POLICIES

The accounting policies adopted are set out on page 2.

2. TANGIBLE ASSETS

	Total £
COST	
At 1st October 1997	4157
Disposals	(1680)

At 30th September 1998	2477
	=====
DEPRECIATION	
At 1st October 1997	520
Provided during the year	712
Disposals	(380)

At 30th September 1998	852
	=====
NET BOOK VALUE	
At 30th September 1997	3637
	=====
At 30th September 1998	1625
	=====

3. INVESTMENTS - RELATED UNDERTAKINGS

	1998 £	1997 £
COST OF SHARES		
At 1st October 1997 and 30th September 1998	481980	481980
	=====	=====

The company owns 100% of the Issued Ordinary Share Capital of Fericon Press Limited, an unlisted company registered in Great Britain. Its principal activity for the year is printing.

The company is exempt from the obligations to prepare group financial statements as the group qualifies as a small group as defined by Section 248 of the Companies Act 1985.

Financial information summary:	1998 £	1997 £
Fericon Press Ltd		
Aggregate capital and reserves at 30th September 1998	245052	216290
	=====	=====
Results for the year ended 30th September 1998	28762	32605
	=====	=====

The directors consider the value of the company's investment in its subsidiary undertaking to be not less than the amount stated in the company's balance sheet.

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30TH SEPTEMBER 1998 - Continued

4. DETAILS OF SECURITY

Creditors include bank loans of £228277 (1997 - £276145) which are secured. None are due for repayment by instalments after more than five years.

5. CALLED UP SHARE CAPITAL	1998	1997
	£	£
AUTHORISED, Equity ordinary shares of £1 each	50000 =====	50000 =====
ISSUED AND FULLY PAID Equity ordinary shares of £1 each	45000 =====	45000 =====

6. TRANSACTIONS INVOLVING DIRECTORS

The company provided management services totalling £221030 (1997 - £203266) to its subsidiary undertaking, Fericon Press Limited, a company in which M Moore, M Troth and R Scotton are all directors.