

KMS (LONDON) LIMITED

Company Number: 3668280

ABBREVIATED STATUTORY ACCOUNTS
PERIOD ENDED 28TH FEBRUARY 2000

SOHALS
CHARTERED ACCOUNTANTS

Marston Court
16 Binley Road
Coventry
CV3 1HZ



KMS (LONDON) LIMITED

ABBREVIATED STATUTORY ACCOUNTS
FOR THE PERIOD ENDED 28TH FEBRUARY 2000

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AUDITORS' REPORT TO
KMS (LONDON) LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial accounts set out on pages 2 to 5, together with the financial accounts of the company for the Period ended 28th February 2000 prepared under section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated financial 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 financial accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial 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 financial accounts, that the company is entitled to deliver abbreviated financial accounts and that the abbreviated financial accounts to be delivered are properly prepared. 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 accounts.

OPINION

In our opinion the company is entitled to deliver abbreviated financial accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

Sohals
Registered Auditors
Chartered Accountants

Marston Court
16 Binley Road
Coventry
CV3 1HZ

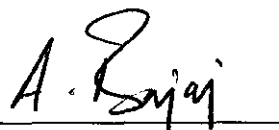
27th February 2001

KMS (LONDON) LIMITEDABBREVIATED BALANCE SHEET
AS AT 28TH FEBRUARY 2000

	<u>Notes</u>	<u>2000</u>
		£ £
FIXED ASSETS		
Tangible Assets	2	33,585
CURRENT ASSETS		
Stocks		316,208
Debtors		83,625
Cash at Bank and in Hand		26,543
		<hr/> 426,376
CREDITORS : Amounts Falling		
Due within One Year		<hr/> (627,647)
NET CURRENT LIABILITIES		<hr/> (201,271)
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> £ (167,686) <hr/>
CAPITAL AND RESERVES		
Share Capital	3	10,000
Profit and Loss Account		<hr/> (177,686)
<u>TOTAL SHAREHOLDERS' FUNDS</u>		<hr/> £ (167,686) <hr/>

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the
board of directors



DR A Bajaj
Director

Approved by the board: 27th February 2001

The notes on pages 3 to 5 form part of these accounts.

KMS (LONDON) LIMITEDNOTES TO THE ABBREVIATED ACCOUNTS
FOR THE PERIOD ENDED 28TH FEBRUARY 2000**1. ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the financial statements are set out below.

Basis of Accounting

The accounts have been prepared under the historical cost convention.

The effect of events relating to the period ended 28th February 2000 before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 28th February 2000 and of the results for the period ended on that date.

Turnover

Turnover represents the net invoiced sales of goods, excluding VAT.

Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Leasehold Property	The period of the lease
Motor Vehicles	25% reducing balance
Plant and Equipment	15% reducing balance

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred Taxation

Deferred Taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Cash Flow Statement

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 qualifies as a small company under the Companies Act 1985.

KMS (LONDON) LIMITEDNOTES TO THE ABBREVIATED ACCOUNTS
FOR THE PERIOD ENDED 28TH FEBRUARY 2000**2. FIXED ASSETS**

	Tangible Assets £
COST	
Additions in Period	40,439
At 28th February 2000	<u>40,439</u>
DEPRECIATION	
Charge for Period	6,854
At 28th February 2000	<u>6,854</u>
NET BOOK VALUE	
At 28th February 2000	<u>33,585</u>

3. SHARE CAPITAL

	2000 £
Authorised	
Ordinary Shares of £1 each	10,000
Allotted, Issued and Fully Paid	
Ordinary Shares of £1 each	<u>10,000</u>

During the Period 10,000 shares of £1 each were allotted and fully paid for cash at par to increase the capital base of the Company.

4. RELATED PARTIES

During the period the company purchased goods totalling £942,333 from KMS International Limited which is under the direct control of the Directors and their family.

All of these transactions were under normal commercial terms and the balance due to KMS International Limited as at 28th February amounted to £582,362.

5. ULTIMATE PARENT UNDERTAKING

In the directors view the company's ultimate parent undertaking at the balance sheet date was KMS International Limited, a company incorporated in England and Wales. KMS International Limited own 87% of the share capital of the company.