

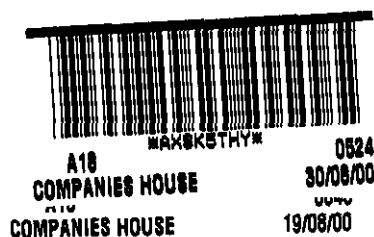
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BAC OFFICE EQUIPMENT LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 1999



Richard A Callender
Accountancy & Taxation Services
1 Chichester Lane
Hampton Magna
Warwick
CV35 8SR

BAC OFFICE EQUIPMENT LIMITED

Index to the Financial Statements for the year ended 31 December 1999

	Page
Company Information	1
Report of the Directors	2
Accountants Report	3
Profit & Loss Account	4
Balance Sheet	5
Notes to the Accounts	6-8

The following page does not form part of the Financial Statements

Detailed Trading and Profit & Loss Account	9
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BAC OFFICE EQUIPMENT LIMITED

Company Number	03006984
Directors	M Deceico B Chimes
Company Secretary	Mrs S Chimes
Registered Office	15 Station Road Addleston Surrey KT15 2AL
Accountant	R A Callender Accountancy & Taxation Services 1 Chichester Lane Hampton Magna Warwick Warwickshire CV35 8SR
Bankers	Barclays Bank plc Hammersmith Business Centre

BAC OFFICE EQUIPMENT LIMITED
Report of the Directors for the Year Ended
31 December 1999

The Directors present their Report and Financial Statements for the year ended 31 December 1999.

Statement of Directors Responsibilities

Company Law requires the directors to prepare financial statements for each financial period which gives a true and fair view of the state of the Company and of the Profit or Loss of the company for that period. In preparing these financial statements the Directors are 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 a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safe guarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

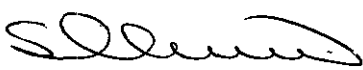
The Directors who served during the period and their beneficial interest in the issued share capital of the company was as follows:

	As at 31 December 1999	As at 31 December 1998
M Deceico	1	1
B Chimes	1	1

Status

Advantage is taken in the preparation of the Directors Report of the special exemptions applicable to small companies conferred by Part II of Schedule 8 of the Companies Act 1985

By Order of the Board



.....
Mrs S Chimes

Company Secretary

Dated: 20 July 2000

Accountants Report to the Shareholders
on the Unaudited Accounts of
BAC OFFICE EQUIPMENT LIMITED

I report on the accounts for the year ended 31 December 1999 set out on pages 4 - 8.

Respective Responsibilities of Directors and Reporting Accountant.

As described on Page 2 the Company's directors are responsible for the preparation of the Accounts, and they consider that the Company is exempt from an audit. It is my responsibility to carry out procedures designed to enable me to report my opinion.

Basis of Opinion

My work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so my procedures consisted of comparing the Accounts with the accounting records kept by the Company and making such limited enquiries of the Officers of the Company as I consider necessary for the purpose of this report. These procedures provide only the assurance expressed in my opinion.

Opinion

In my opinion

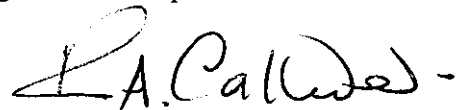
a) the accounts are in agreement with the accounting records kept by the Company under Section 221 of the Companies Act 1985;

b) Having regard only to, and on the basis of, the information contained in those accounting records:

(i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and

(ii) the Company satisfied the conditions for exemption from an audit of the accounts for the year specified in Section 249A(4) of the Act and did not, at any time within that period, fall within any of the categories of companies not entitled to the exemptions specified in Section 249B(1).

R A Callender
Accountancy & Taxation Services
1 Chichester Lane
Hampton Magna
Warwick
CV35 CSR



Reporting Accountant

20 July 2000

BAC OFFICE EQUIPMENT LIMITED
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1999

		<u>31 December</u> <u>1999</u>	<u>31 December</u> <u>1998</u>
	<u>Notes</u>	<u>£</u>	<u>£</u>
Turnover	1	138109	126086
Cost of Sales		<u>62749</u>	<u>57664</u>
Gross Profit		75360	68422
Other Operating Expenses		<u>70888</u>	<u>75855</u>
Operating Profit/(Loss)	2	4472	(7433)
Interest Payable and other similar costs		<u>3487</u>	<u>3246</u>
Profit/(Loss) on Ordinary Activities before Taxation		985	(10679)
Taxation on Profit on Ordinary Activities	3	-	1930
Profit/(Loss) on Ordinary Activities after Taxation		<u>985</u>	<u>(8749)</u>
Dividends		3000	-
Loss after dividends		<u>(2015)</u>	<u>(8749)</u>
(Deficit)/ Reserves brought forward		(7040)	1709
(Deficit) per Balance Sheet		<u><u>£(9055)</u></u>	<u><u>£(7040)</u></u>

There are no recognised gains or losses other than those included in the Loss/Profit above, and therefore no separate statement of total gains and losses have been presented.

None of the Company's activities were discontinued during the financial period.

There is no difference between the profit/(loss) on ordinary activities before taxation and the loss for the period stated above, and their historical cost equivalents.

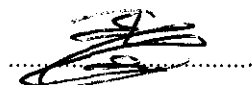
BAC OFFICE EQUIPMENT LIMITED
BALANCE SHEET AS AT 31 DECEMBER 1999

	<u>Notes</u>	<u>31 December 1999</u>	<u>31 December 1998</u>
		£	£
Tangible Fixed Assets	4	13103	20887
Intangible Assets - Goodwill	5	-	2000
Current Assets			
Stock	6	2900	3034
Debtors	7	11960	9650
Cash at Bank & in Hand		5660	-
		<u>20520</u>	<u>12684</u>
Current Liabilities			
Creditors due within 1 year	8	20226	11634
Bank Overdraft		-	2504
Hire Purchase Accounts		6045	6672
		<u>26271</u>	<u>20810</u>
Net Current (Liabilities)		<u>(5751)</u>	<u>(8126)</u>
		7352	12509
Creditors due in more than 1 Year -			
Hire Purchase Accounts		(6407)	(11801)
		<u>£945</u>	<u>£2960</u>
Capital and Reserves			
Called up Share Capital	9	10000	10000
Profit and Loss Account	10	(9055)	(7040)
Shareholders Funds		<u>£945</u>	<u>£2960</u>

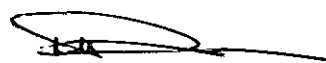
The Financial Statements on Pages 4 to 8 were approved by the Directors on 20 July 2000

The directors have

- a) taken advantage of the Companies Act 1985 in not having these accounts audited under Section 249A(1) [total exemption]
- b) confirmed that no notice has been deposited under Section 249B(2) of the Companies Act 1985
- c) acknowledged their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985
- d) acknowledged their responsibilities for preparing accounts which give a true and fair view of the company and of its loss for the year then ended in accordance with the requirements of Section 226 of the Companies Act 1985 and which otherwise comply with the requirements of this Act relating to accounts, so far as is applicable to this company.



B A Chimes - Director



M Decieco - Director

BAC OFFICE EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

1. Accounting Policies

a) Accounting Convention

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

b) Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in January 1995, is being written off evenly over its estimated useful life of 5 years. It is now fully written off.

c) Turnover

Turnover represents the amounts received or receivable for goods and services provided to customers, excluding Value Added Tax.

d) Stock

Stock and Work in Progress is valued at the lower of cost and net realisable value. Cost includes direct materials and labour incurred in bringing each product to its present condition and location.

e) Taxation

Deferred tax is provided for liabilities that will probably crystallise in the future, using the liability method. No provision is necessary for deferred taxation.

f) Cashflow Statement

The Company qualifies as a small company under the Companies Act 1985. The Directors have elected to take advantage of the exemption under FRS 1 not to prepare a cashflow statement.

BAC OFFICE EQUIPMENT LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

	31 December 1999 £	31 December 1998 £
2. Operating Profit		
This is stated after Charging:		
Depreciation	5659	6954
Loss on Disposal of Motor vehicles	2082	1700
Amortisation of Goodwill	2000	2000
Directors Remuneration	21816	30049
	<hr/>	<hr/>
3. Taxation on Profit on Ordinary Activities		
Corporation Tax recoverable	-	(1930)
	<hr/>	<hr/>
	-	£(1930)
	<hr/>	<hr/>
4. Tangible Assets	Fixtures & Fittings	Motor Vehicles
As at 1 January 1999	859	20028
Disposals in the year	-	(9082)
Additions	157	6800
	<hr/>	<hr/>
	1016	17746
Depreciation Charge for the Year	310	5349
	<hr/>	<hr/>
Written down values at 31 December 1999	£706	£12397
	<hr/>	<hr/>
	1998	1997
5. Intangible Assets - Goodwill		
As at 1 January 1999	2000	4000
Amortisation for the period	2000	2000
	<hr/>	<hr/>
Net Book Value at 31 December 1999	-	£2000
	<hr/>	<hr/>
6. Stock		
Equipment and Supplies	£2900	£3034
	<hr/>	<hr/>

BAC OFFICE EQUIPMENT LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

	31 December 1999 £	31 December 1998 £
7. Debtors		
Trade Debtors	9808	7720
Corporation Tax recoverable	1297	1930
Sundry Prepayments	855	-
	<u>£11960</u>	<u>£9650</u>
	£	£
8. Creditors - Due within one year		
Trade Creditors	15661	7580
Other Creditors and Accruals	896	460
Social Security & Other Taxes	3669	3594
	<u>£20226</u>	<u>£11634</u>
9. Called up Share Capital		
Ordinary Shares of £5000 each		
Authorised	<u>2</u>	<u>2</u>
Issued and Fully Paid	<u>2</u>	<u>2</u>
10. Reserves		
Balance at 1 January 1999	(7040)	1709
(Loss) for the Year	<u>(2015)</u>	<u>(8749)</u>
(Deficit) as at 31 December 1999	<u>£(9055)</u>	<u>£(7040)</u>
11. Contingent Liabilities		
There are no contingent liabilities or commitments, at the Balance Sheet date.		
12. Post Balance Sheet Events		
There have been no events since the Balance Sheet which have had a material effect on the business.		