

SYSTEM 2000 GROUP LIMITED
ABBREVIATED FINANCIAL STATEMENTS

31 December 1995

Registered number 2431663



SYSTEM 2000 GROUP LIMITED

AUDITORS' REPORT ON ABBREVIATED FINANCIAL STATEMENTS

**Auditors' report to the directors of System 2000 Group Limited
pursuant to paragraph 24 of Schedule 8 of the Companies Act 1985**

We have examined the abbreviated financial statements on pages 3 to 6 together with the full financial statements of System 2000 Group Limited, prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 1995.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements 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 3 and whether they 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 financial statements 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 Sections 246, 247 and 249 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 31 December 1995, and the abbreviated financial statements on pages 3 to 6 have been properly prepared in accordance with that Schedule.

Other information

On 20th June 1996 we reported, as auditors of System 2000 Group Limited, to the shareholders on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 1995 and our audit report was as follows:

"We have audited the financial statements on pages 5 to 14 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 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.

SYSTEM 2000 GROUP LIMITED

AUDITORS' REPORT ON ABBREVIATED FINANCIAL STATEMENTS

Auditors' report to the directors of System 2000 Group Limited
pursuant to paragraph 24 of Schedule 8 of the Companies Act 1985
(continued)

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1995 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In our opinion the company is entitled for the year ended 31 December 1995 to the exemption conferred by Section 248 of the Companies Act 1985 from preparing group financial statements."



Kidsons Impey

Registered Auditors

Chartered Accountants

Birmingham

20~~th~~ June 1996

SYSTEM 2000 GROUP LIMITED
ABBREVIATED BALANCE SHEET

at 31 December 1995

	Note	1995		1994	
		£	£	£	£
Fixed assets					
Tangible assets	2		379,408		384,020
Investments	2		<u>14,005</u>		<u>14,005</u>
			393,413		398,025
Current assets					
Stocks		123,398		122,317	
Debtors		301,225		382,619	
Cash in hand		<u>5,301</u>		<u>135</u>	
		429,924		505,071	
Creditors: amounts falling due within one year		<u>(236,300)</u>		<u>(320,273)</u>	
Net current assets			<u>193,624</u>		<u>184,798</u>
Total assets less current liabilities			587,037		582,823
Creditors: amounts falling due after more than one year	3		<u>(182,434)</u>		<u>(196,265)</u>
			404,603		386,558
Capital and reserves (equity)					
Called up share capital	4		1,075		1,000
Share premium account			273,802		239,002
Profit and loss account			<u>129,726</u>		<u>146,556</u>
Total shareholders' funds			<u>404,603</u>		<u>386,558</u>

The abbreviated financial statements on pages 3 to 6 were approved by the board of directors on 18 June 1996

The directors have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

J.E. Rowley - Director



SYSTEM 2000 GROUP LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1995

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention. The company has not prepared group accounts as it qualifies as a small-sized group as defined by Section 248 of the Companies Act 1985.

Depreciation

Depreciation is calculated to write off the relevant assets over their expected useful lives. The principal annual rates used are as follows

	%	
Buildings	1	Straight line
Plant and machinery	15	Reducing balance
Fixtures and fittings		
- computers	15-25	Straight line
- others	15	Reducing balance
Motor vehicles	25	Reducing balance

Stocks

Stocks and work in progress have been valued at the lower of cost and net realisable value.

Deferred taxation

Deferred taxation is calculated on the liability method in respect of timing differences between profits as stated in the financial statements and as computed for tax purposes. To the extent that it can be shown with reasonable probability that no such liability will become payable in the foreseeable future no provision is made.

Leasing

Fixed assets acquired under hire purchase and finance lease agreements are capitalised and the corresponding liability is included in creditors. Depreciation is calculated to write off the cost of the asset over the shorter of its useful economic life and the term of the lease. Rentals paid under operating leases are charged to income as incurred.

Research and development

Expenditure on development incurred in the year is charged against profit.

Government grants

Government grants on development expenditure are credited to income so as to match with associated costs.

Cash flow statement

The company has taken advantage of the legal dispensation not to produce a cash flow statement because it is a small company.

SYSTEM 2000 GROUP LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1995

(continued)

2	Tangible assets	Tangible fixed assets £	Fixed asset investments £	Total £
	Cost			
	31 December 1994	577,682	14,005	591,687
	Additions	27,127	-	27,127
	Disposals	(33,592)	-	(33,592)
	31 December 1995	571,217	14,005	585,222
	Depreciation			
	31 December 1994	193,662	-	193,662
	Charge for year	22,818	-	22,818
	Disposals	(24,671)	-	(24,671)
	31 December 1995	191,809	-	191,809
	Net book value			
	31 December 1995	379,408	14,005	393,413
	31 December 1994	384,020	14,005	398,025
	Fixed asset investments comprise			

Name of company	Country of registration	Class of share	Proportion held	Nature of business £
Freelance Door Services Limited	England	Ordinary	100%	Dormant
Securidoor Limited	England	Ordinary	100%	Dormant
Windows Limited	England	Ordinary	100%	Trading

The capital and reserves of the fixed asset investments at 31 December 1995 were

	£
Freelance Door Services Limited	14,002
Securidoor Limited	3
Windows Limited	(5,280)

SYSTEM 2000 GROUP LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1995

(continued)

3	Creditors: amounts falling due in more than one year	1995	1994
		£	£
	Due wholly or in part by instalment after five years		
	Medium term loan	170,000	170,000

The medium term loan and the company overdraft are secured by a first legal mortgage over the company's freehold property and a debenture from the company dated 11 January 1993, and a life assurance policy on J.E. Rowley, which is in the name of Freelance Door Services Limited.

4	Called up share capital	1995		1994	
		Number of		Number of	
		shares	£	shares	£
	Authorised				
	Ordinary shares of £1 each	50,000	50,000	50,000	50,000
		=====	=====	=====	=====
	Issued and fully paid				
	Ordinary shares of £1 each (note)	1,075	1,075	1,000	1,000
		=====	=====	=====	=====

Note

The company issued 75 £1 ordinary shares during the year for consideration of £34,875, to Mr. I.E. Hoggarth on becoming a director of the company.

5 Transactions involving directors

J.E. Rowley has an outstanding interest-free loan which amounted to £1,684 at 31 December 1995 (1994 £60,976) and is shown in other debtors. The loan was at its maximum level during the year at 31 March 1995 when it amounted to £64,917.

On 30 June 1995 J.E. Rowley sold his 100% shareholding in Windows Limited to the company for £25,000 (comprising £6,356 for share capital and £18,644 to honour existing debts).

Mr. J.E. Rowley charged the company £9,000 for additional services provided during the year.