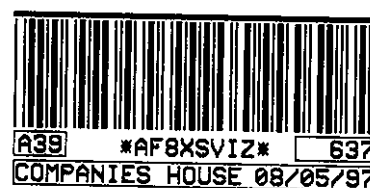


REGISTERED NUMBER: 2431663 (England and Wales)

Abbreviated Financial Statements
for the Year Ended 31 December 1996
for
System 2000 Group Limited



System 2000 Group Limited

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for the Year Ended 31 December 1996**

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System 2000 Group Limited

**Company Information
for the Year Ended 31 December 1996**

DIRECTORS:

J E Rowley
A E Rowley
I F Hoggarth

SECRETARY:

J E Rowley

REGISTERED OFFICE:

39-41 Wood End Lane
Birmingham
B24 8AN

REGISTERED NUMBER:

2431663 (England and Wales)

AUDITORS:

Dains
Chartered Accountants
Registered Auditors
St. John's Court
Wiltell Road
Lichfield, Staffs.
WS14 9DS

System 2000 Group Limited

Report of the Auditors to System 2000 Group Limited Pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985

We have examined the abbreviated financial statements on pages four to seven 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 1996.

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 four and whether the abbreviated financial statements 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 and 247 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 1996, and the abbreviated financial statements on pages four to seven have been properly prepared in accordance with that Schedule.

Other information

On 27 March 1997 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 1996, and our audit report was as follows:

"We have audited the financial statements on pages four to twelve which have been prepared under the historical cost convention and the accounting policies set out on page six.

Respective responsibilities of directors and auditors

As described on page two 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 judgments 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.

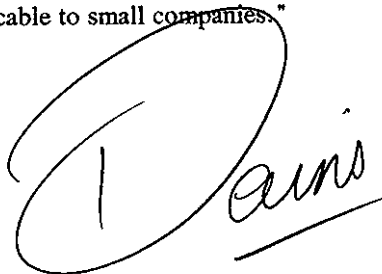
System 2000 Group Limited

Report of the Auditors to
System 2000 Group Limited
Pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies."

Dains
Chartered Accountants
Registered Auditors
St. John's Court
Wiltell Road
Lichfield, Staffs.
WS14 9DS

A handwritten signature in black ink, appearing to read 'Dains', with a large, stylized loop at the beginning.

Dated: 27 March 1997

System 2000 Group Limited

Abbreviated Balance Sheet
31 December 1996

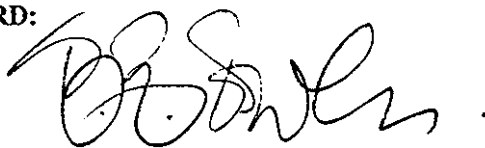
		1996		1995	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	2		366,097		379,408
Investments	3		<u>14,005</u>		<u>14,005</u>
			380,102		393,413
CURRENT ASSETS:					
Stocks		141,372		123,398	
Debtors		304,140		301,225	
Cash at bank and in hand		<u>7,371</u>		<u>5,301</u>	
		452,883		429,924	
CREDITORS: Amounts falling due within one year		<u>249,374</u>		<u>236,300</u>	
NET CURRENT ASSETS:			<u>203,509</u>		<u>193,624</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			583,611		587,037
CREDITORS: Amounts falling due after more than one year			<u>172,105</u>		<u>182,434</u>
			<u>£411,506</u>		<u>£404,603</u>
CAPITAL AND RESERVES:					
Called Up Share Capital	4		1,075		1,075
Share premium			273,802		273,802
Profit and loss account			<u>136,629</u>		<u>129,726</u>
Shareholders' funds			<u>£411,506</u>		<u>£404,603</u>

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

In preparing the full financial statements, the directors have taken advantage of special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985. The directors have done so on the grounds that, in their opinion, the company is entitled to the benefit of those exemptions because it meets the qualifying conditions for small companies as stated in Section 247 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

J E Rowley - DIRECTOR



Approved by the Board on 27 March 1997

The notes form part of these financial statements

Notes to the Abbreviated Financial Statements
for the Year Ended 31 December 1996

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Buildings	- 1 % on cost of buildings
Plant and Machinery	- 15 % on reducing balance
Fixtures and Fittings	- 15 % on reducing balance and 25 % on reducing balance
Motor Vehicles	- 25 % on reducing balance

Stocks

Stock and work in progress 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.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

System 2000 Group Limited

Notes to the Abbreviated Financial Statements for the Year Ended 31 December 1996

2. TANGIBLE FIXED ASSETS

	<u>Total</u>
	£
COST:	
At 1 January 1996	571,219
Additions	14,545
Disposals	<u>(23,009)</u>
At 31 December 1996	<u>562,755</u>
DEPRECIATION:	
At 1 January 1996	191,811
Charge for year	21,342
Eliminated on disposals	<u>(16,495)</u>
At 31 December 1996	<u>196,658</u>
NET BOOK VALUE:	
At 31 December 1996	<u>366,097</u>
At 31 December 1995	<u>379,408</u>

3. FIXED ASSET INVESTMENTS

	£
COST:	
At 1 January 1996 and 31 December 1996	<u>20,361</u>
PROVISIONS:	
At 1 January 1996 and 31 December 1996	<u>6,356</u>
NET BOOK VALUE:	
At 31 December 1996	<u>£14,005</u>
At 31 December 1995	<u>£14,005</u>

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

Freelance Door Services Limited

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

	1996	1995
	£	£
Aggregate capital and reserves	14,002	14,002

System 2000 Group Limited

Notes to the Abbreviated Financial Statements for the Year Ended 31 December 1996

Securidoor Limited

Nature of business: Dormant

	% holding
Class of shares:	
Ordinary	100.00

	1996 £	1995 £
Aggregate capital and reserves	3	3

Windows Limited

Nature of business: Dormant

	% holding
Class of shares:	
Ordinary	100.00

	1996 £	1995 £
Aggregate capital and reserves	(5,280)	(5,280)
Loss for the year/period 1.7.95-31.12.95	-	(1,439)

4. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	1996 £	1995 £
50,000	Ordinary	£1	<u>50,000</u>	<u>50,000</u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	1996 £	1995 £
1,075	Ordinary	£1	<u>1,075</u>	<u>1,075</u>

5. TRANSACTIONS WITH DIRECTORS

J.E. Rowley has an outstanding interest-free loan which amounted to £86 at 31 December 1996 (1995 £1,684) and is shown in other debtors. The loan was at its maximum level during the year at 30 September 1996 when it amounted to £13,050. The company wrote off a debt of £1,088 due from Windows Limited a wholly owned subsidiary which ceased to trade during the year. The remaining assets of Windows Limited which had a net book value of £9,690 were transferred to the company. Full provision is made against the company's investment in Windows Limited amounting to £6,356.