

SYSTEM 2000 GROUP LIMITED
ABBREVIATED FINANCIAL STATEMENTS
31ST DECEMBER 1998

Registered number: 2431663

DAINS
CHARTERED ACCOUNTANTS
Lichfield



SYSTEM 2000 GROUP LIMITED
ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31st December 1998

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SYSTEM 2000 GROUP LIMITED**Auditors' report to
System 2000 Group Limited
under section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements set out on pages 2 to 4, together with the financial statements of the company for the year ended 31st December 1998 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements 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 statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

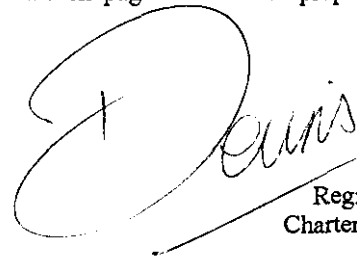
Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements 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 statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 2 to 4 are properly prepared in accordance with those provisions.

Lichfield



Dains
Registered Auditors
Chartered Accountants

13 April 1999

SYSTEM 2000 GROUP LIMITED
ABBREVIATED BALANCE SHEET
at 31st December 1998

	Note	£	1998 £	£	1997 £
Fixed assets					
Tangible assets	2		427,140		412,122
Investments	2		14,005		14,005
			<u>441,145</u>		<u>426,127</u>
Current assets					
Stocks		129,927		133,123	
Debtors		310,413		268,144	
Cash at bank and in hand		9		10	
			<u>440,349</u>	<u>401,277</u>	
Creditors: amounts falling due within one year			<u>(289,215)</u>	<u>(196,769)</u>	
Net current assets			<u>151,134</u>	<u>204,508</u>	
Total assets less current liabilities			<u>592,279</u>	<u>630,635</u>	
Creditors: amounts falling due after more than one year	3		<u>(230,317)</u>	<u>(199,903)</u>	
			<u>361,962</u>	<u>430,732</u>	
Capital and reserves					
Called up share capital	4		1,075		1,075
Share premium account			273,802		273,802
Revaluation reserve			-		17,860
Profit and loss account			87,085		137,995
Total shareholders' funds			<u>361,962</u>	<u>430,732</u>	

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

The abbreviated financial statements on pages 2 to 4 were approved by the board of directors on 13 April 1999 and signed on its behalf by:

J E Rowley
Director

SYSTEM 2000 GROUP LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1998

1 Accounting policies**Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules except for freehold property which is stated at valuation. Profits or losses arising on the disposal of items stated at valuation are determined by reference to the difference between the valuation and the sale proceeds.

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold buildings	at varying rates on cost
Plant and machinery	15% on reducing balance
Motor vehicles	25% on reducing balance
Fixtures and fittings	15% and 25% on reducing balance

Group Accounts

The Company is exempt from preparing group accounts under Section 248 of the Companies Act 1985 as it is a small company and group.

SYSTEM 2000 GROUP LIMITED
NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1998

2 Fixed assets

Cost or valuation	Tangible fixed assets £	Fixed asset investments £	Total £
1st January 1998	577,515	20,361	597,876
Additions	81,487	-	81,487
Deficit on revaluation	(7,500)	-	(7,500)
31st December 1998	<u>651,502</u>	<u>20,361</u>	<u>671,863</u>
Depreciation			
1st January 1998	165,393	6,356	171,749
Charge for year	48,609	-	48,609
Revaluation Adjustment	10,360		10,360
31st December 1998	<u>224,362</u>	<u>6,356</u>	<u>230,718</u>
Net book amount			
31st December 1998	<u>427,140</u>	<u>14,005</u>	<u>441,145</u>
1st January 1998	<u>412,122</u>	<u>14,005</u>	<u>426,127</u>

Freehold land and buildings were valued on an open market value basis on the 9 September 1998 by Dunger & Company, Chartered Surveyors.

3 Creditors:

	1998 £	1997 £
Creditors include the following amounts:		
Amounts falling due after more than five years:		
Bank loans	<u>170,000</u>	<u>170,000</u>
Secured creditors		
Small company secured creditors	<u>342,703</u>	<u>227,882</u>

SYSTEM 2000 GROUP LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1998

4 Called up share capital

	1998		1997	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	10,000	10,000	10,000	10,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Allotted called up and fully paid				
Ordinary shares of £1 each	1,075	1,075	1,075	1,075
	<u> </u>	<u> </u>	<u> </u>	<u> </u>