

SYSTEM 2000 GROUP LIMITED
ABBREVIATED FINANCIAL STATEMENTS
31ST DECEMBER 1999

Registered number: 2431663

DAINS
CHARTERED ACCOUNTANTS
Lichfield



SYSTEM 2000 GROUP LIMITED
ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31st December 1999

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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 5, together with the financial statements of the company for the year ended 31st December 1999 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

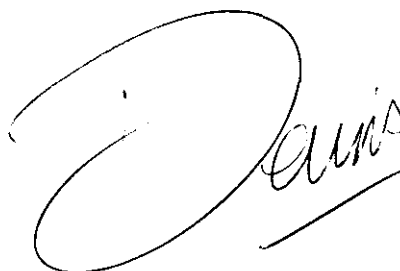
We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the 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 5 are properly prepared in accordance with those provisions.

Lichfield

17 May 2000



Dains
Registered Auditors
Chartered Accountants

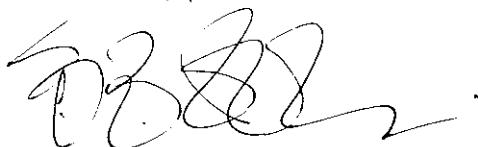
SYSTEM 2000 GROUP LIMITED
ABBREVIATED BALANCE SHEET
at 31st December 1999

	Note	£	1999 £	£	1998 £
Fixed assets					
Tangible assets	2		390,270		427,140
Investments	2		14,005		14,005
			<u>404,275</u>		<u>441,145</u>
Current assets					
Stocks			120,066		129,927
Debtors			405,347		310,413
Cash at bank and in hand			22		9
			<u>525,435</u>		<u>440,349</u>
Creditors: amounts falling due within one year			<u>(367,558)</u>		<u>(289,215)</u>
Net current assets			<u>157,877</u>		<u>151,134</u>
Total assets less current liabilities			<u>562,152</u>		<u>592,279</u>
Creditors: amounts falling due after more than one year	3		<u>(201,664)</u>		<u>(230,317)</u>
			<u>360,488</u>		<u>361,962</u>
Capital and reserves					
Called up share capital	4		1,075		1,075
Share premium account			273,802		273,802
Profit and loss account			85,611		87,085
Total shareholders' funds			<u>360,488</u>		<u>361,962</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 5 were approved by the board of directors on 17 May 2000 and signed on its behalf by:

J E Rowley
Director



SYSTEM 2000 GROUP LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1999

1 Accounting policies**Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules.

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 land	nil
Freehold buildings	2% on cost on buildings
Plant and machinery	15% on reducing balance
Motor vehicles	25% on reducing balance
Fixtures and fittings	varying methods at 15% and 25%

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 1999

2 Fixed assets

Cost	Tangible fixed assets £	Fixed asset investments £	Total £
1st January 1999	651,504	20,361	671,865
Additions	2,566	-	2,566
31st December 1999	654,070	20,361	674,431
Depreciation			
1st January 1999	224,365	6,356	230,721
Charge for the year	39,435	-	39,435
31st December 1999	263,800	6,356	270,156
Net book amount			
31st December 1999	390,270	14,005	404,275
1st January 1999	427,140	14,005	441,145

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

3 Creditors:

	1999 £	1998 £
Creditors include the following amounts:		
Amounts falling due after more than five years:		
Bank loans	170,000	170,000
Secured creditors		
Small company secured creditors	309,380	342,703

Notes

- (i) The bank loan and overdraft are secured by a first legal mortgage over the Company's freehold property dated 11 January 1993, debentures on bank standard forms dated 18 May 1992 and 20 December 1993, life assurance policy and personal guarantee on J E Rowley which are both in the name of Systems 2000 Group Limited.
- (ii) The hire purchase liabilities are secured on the assets to which the borrowings relate.

SYSTEM 2000 GROUP LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1999

4 Called up share capital

	1999		1998	
	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>