

COMPACTYPIST LIMITED
FINANCIAL STATEMENTS
FOR
31 MAY 2000

Company Registration Number 3186421



WRIGHT HOGG EISEN
Chartered Accountants & Registered Auditors
Northumberland House
Princess Square
Newcastle upon Tyne
NE1 8ER

COMPACTYPIST LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2000

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COMPACTYPIST LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MAY 2000

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 May 2000.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the provision of management services to its subsidiary Increase Computers Limited.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 May 2000	At 1 June 1999
Mr P M Short	34	34
Mr A Matheson	33	33
Mr P Fairless	<u>33</u>	<u>33</u>

AUDITORS

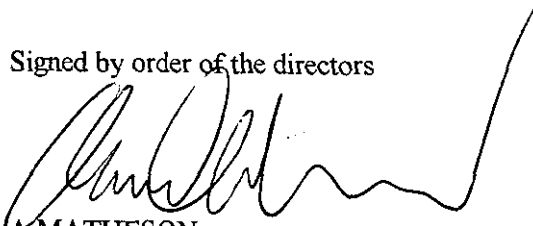
A resolution to re-appoint Wright Hogg Eisen as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
Gear House
Saltmeadows Road
Gateshead
Tyne and Wear

Signed by order of the directors


A MATHESON
Company Secretary

Approved by the directors on 6-10-2000

COMPACTYPIST LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 31 MAY 2000

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on page 6, and then apply them consistently;

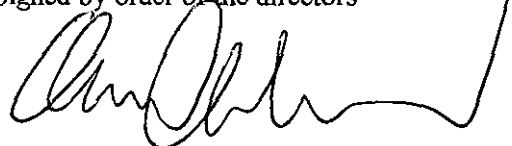
make judgements and estimates that are reasonable and prudent; and

prepare the financial statements on the 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. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Registered office:
Gear House
Saltmeadows Road
Gateshead
Tyne and Wear

Signed by order of the directors



A MATHESON
Company Secretary

Approved by the directors on 6-10-2000

COMPACTYPIST LIMITED
AUDITORS' REPORT TO THE SHAREHOLDERS
YEAR ENDED 31 MAY 2000

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 2, the company's directors are responsible for the preparation of the 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 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 as at 31 May 2000 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Northumberland House
Princess Square
Newcastle upon Tyne
NE1 8ER

13.10.00

Wright Hogg Eisen

WRIGHT HOGG EISEN
Chartered Accountants
& Registered Auditors

COMPACTYPIST LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MAY 2000

	Note	2000 £	1999 £
TURNOVER		30,304	35,569
Administrative expenses		<u>(191)</u>	<u>(1,914)</u>
OPERATING PROFIT	2	30,113	33,655
Interest payable		<u>(15)</u>	<u>(1,031)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		30,098	32,624
Tax on profit on ordinary activities	3	<u>(5,917)</u>	<u>(6,899)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		24,181	25,725
Equity dividends paid		<u>(30,303)</u>	<u>(21,000)</u>
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		(6,122)	4,725
Balance brought forward		<u>13,053</u>	<u>8,328</u>
Balance carried forward		<u>6,931</u>	<u>13,053</u>

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

The notes on pages 6 to 8 form part of these financial statements.

COMPACTYPIST LIMITED

BALANCE SHEET

31 MAY 2000

	Note	2000	1999
		£	£
FIXED ASSETS			
Investments	4	95,000	95,000
CURRENT ASSETS			
Debtors	5	100	100
Cash at bank		103	-
		203	100
CREDITORS: Amounts falling due within one year	6	(88,172)	(81,947)
NET CURRENT LIABILITIES		(87,969)	(81,847)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,031</u>	<u>13,153</u>
CAPITAL AND RESERVES			
Called-up equity share capital	8	100	100
Profit and loss account		6,931	13,053
SHAREHOLDERS' FUNDS	9	<u>7,031</u>	<u>13,153</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 6.10.00, and are signed on their behalf by:

MR P M SHORT

The notes on pages 6 to 8 form part of these financial statements.

COMPACTYPIST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2000

1. ACCOUNTING POLICIES

Basis of accounting

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

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

2. OPERATING PROFIT

Operating profit is stated after charging:

	2000	1999
	£	£
Directors' emoluments	-	-
Auditors' fees	118	1,148
	<u>118</u>	<u>1,148</u>

COMPACTYPIST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2000

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £	1999 £
In respect of the year:		
Corporation tax based on the results for the year at 20% (1999 - 21%)	6,020	6,899
Adjustment in respect of previous years:		
Corporation tax	(103)	-
	<u>5,917</u>	<u>6,899</u>

4. INVESTMENTS

INVESTMENTS IN SUBSIDIARY UNDERTAKING

	£
COST	
At 1 June 1999 and 31 May 2000	<u>95,000</u>
NET BOOK VALUE	
At 31 May 2000	<u>95,000</u>
At 31 May 1999	<u>95,000</u>

5. DEBTORS

	2000 £	1999 £
Directors current accounts	<u>100</u>	<u>100</u>

6. CREDITORS: Amounts falling due within one year

	2000 £	1999 £
Other creditors comprise:		
Advance Corporation Tax	-	2,250
Corporation tax	6,020	4,649
Amounts due to group undertakings	<u>82,035</u>	<u>74,049</u>
	88,055	80,948
Accruals and deferred income	<u>117</u>	<u>999</u>
	<u>88,172</u>	<u>81,947</u>

COMPACTYPIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2000

7. RELATED PARTY TRANSACTIONS

During the year the company received income from its subsidiary undertaking in the form of management services. The total income recorded in the financial statements amounted to £30,303 (1999 £35,568).

At the year end the amount owed by the subsidiary amounted to £82,035 (1999 £74,563) and is wholly repayable within one year.

The directors of the company are also the directors of the subsidiary company. The control of the company is vested in each of the three directors.

8. SHARE CAPITAL

Authorised share capital:

	2000	1999
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2000	1999
	£	£
Ordinary share capital	<u>100</u>	<u>100</u>

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000	1999
	£	£
Profit for the financial year	24,181	25,725
Dividends	<u>(30,303)</u>	<u>(21,000)</u>
	(6,122)	4,725
Opening shareholders' equity funds	<u>13,153</u>	<u>8,428</u>
Closing shareholders' equity funds	<u>7,031</u>	<u>13,153</u>