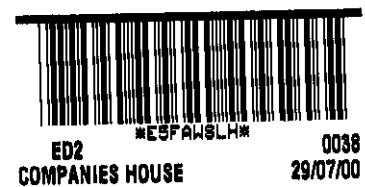


Mailroom In Action Limited

**Director's report and financial
statements**

Registered number 3281505

31 December 1999



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Director's report

The director presents his annual report and the audited financial statements for the year ended 31 December 1999.

Principal activities

The principal activity of the company is the organisation of mailing industry technological exhibitions.

Business review

The company has not traded during the year.

Director and director's interests

The director who held office during the year was as follows:

RJ George (Chairman)

The director who held office at the end of the financial year had no disclosable interest in the shares of the company. The director's interest in the shares of PFE International Limited are disclosed in the director's report of that company (see Note 11).

Proposed dividend and transfer to reserves

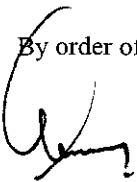
The director does not recommend the payment of a dividend (1998:£nil).

The company has not traded during the year therefore no profit has been retained for the financial year (1998:£2,000).

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



RJ George
Director

PFE International House
Oakwood Hill Industrial Estate
Oakwood Hill
Loughton
Essex
IG10 3TZ

30 June 2000

Statement of director's responsibilities

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the director are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Aquis Court
31 Fishpool Street
St Albans
Hertfordshire, AL3 4RF

Report of the auditors to the members of Mailroom In Action Limited

We have audited the financial statements on pages 4 to 9.

Respective responsibilities of director and auditors

The director are responsible for preparing the director's' report and, as described on page , the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the director's' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's' remuneration and transactions with the company is not disclosed.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements

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 director 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 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to read 'KPMG'.

KPMG
Chartered Accountants
Registered Auditors

A handwritten date in dark ink, appearing to read '30 June 2000'.

Profit and loss account
for the year ended 31 December 1999

	<i>Note</i>	1999 £000	1998 £000
Turnover	2	-	13
Cost of sales		-	(10)
		<hr/>	<hr/>
Gross profit		-	3
Administrative expenses		-	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation	3-5	-	3
Tax on profit on ordinary activities	6	-	(1)
		<hr/>	<hr/>
Retained profit for the financial year		-	2
Profit and loss account brought forward		2	-
		<hr/>	<hr/>
Profit and loss account carried forward		2	2
		<hr/> <hr/>	<hr/> <hr/>

All of the above results relate to continuing operations.

The company has no recognised gains or losses in the current period other than those reported above.

Balance sheet
at 31 December 1999

	Note	1999 £000	1998 £000
Current assets			
Debtors	7	1	3
Cash at bank and in hand		8	5
		<u>9</u>	<u>8</u>
Creditors: amounts falling due within one year	8	<u>(7)</u>	<u>(6)</u>
Net current assets		<u>2</u>	<u>2</u>
Net assets		<u>2</u>	<u>2</u>
Capital and reserves			
Called up equity share capital	9	-	-
Profit and loss account		2	2
Equity shareholders' funds		<u>2</u>	<u>2</u>

30 June 2000

These financial statements were approved by the board of director on

and were signed on its behalf by:



RJ George
Director

Reconciliation of movements in shareholders' funds
for the year ended 31 December 1999

	1999 £000	1998 £000
Profit for the financial year	-	2
Opening shareholders' funds	2	-
	<hr/>	<hr/>
Closing shareholders' funds	2	2
	<hr/>	<hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules.

Under Financial Reporting Standard 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly-owned subsidiary undertaking of an EU parent, PFE International Limited, and its cashflows are included within the consolidated cashflow statement of that company.

As the company is a wholly owned subsidiary of PFE International Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers.

2 Analysis of turnover

All turnover and profit before tax is derived from organising mailing industry technological exhibitions, with all sales being made in the United Kingdom market.

3 Profit on ordinary activities before taxation

Auditor's remuneration is paid by the parent company, PFE International Limited.

4 Remuneration of director

The director's emoluments for 1999 were £nil (1998: £nil) and no contributions were made to a pension scheme on the director's behalf (1998:£nil). The director is paid by the ultimate holding company, PFE International Limited.

Notes (continued)

5 Staff numbers and costs

The director was the only member of staff employed during the year.

6 Taxation

	1999 £000	1998 £000
UK corporation tax at 20.25% (1987: 21%)	-	1
	<u> </u>	<u> </u>

There was no deferred tax provided or unprovided at 31 December 1999.

7 Debtors

	1999 £000	1998 £000
Trade debtors	-	3
Amounts owed by group undertakings	1	-
	<u> </u>	<u> </u>
	1	3
	<u> </u>	<u> </u>

8 Creditors: amounts falling due within one year

	1999 £000	1998 £000
Amounts owed to group undertakings	7	5
Other creditors including taxation and social security	-	1
	<u> </u>	<u> </u>
	7	6
	<u> </u>	<u> </u>

Included in other creditors is mainstream corporation tax of £nil (1998: £1,000).

Notes (continued)

9 Called up share capital

	1999 £	1998 £
<i>Authorised</i>		
Equity: 100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
Equity: 100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>

10 Commitments

No capital commitments existed at the end of the financial period.

11 Related party transactions

As the company is a wholly owned subsidiary of PFE International Limited, the company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with other companies in the group headed by PFE International Limited.

12 Ultimate parent company

The company is a subsidiary undertaking of PFE International Limited, which is controlled by Mr RJ George, the company's ultimate controlling party.

PFE International Limited heads the only group in which the results of the company are consolidated. A copy of the consolidated financial statements can be obtained from:

PFE International House
Oakwood Hill Industrial Estate
Oakwood Hill
Loughton
Essex
IG10 3TZ