

COMPANY REGISTRATION NUMBER 3512997

BETA SERVICES (UK) LIMITED
FINANCIAL STATEMENTS
FOR
31 MARCH 2004



HURST MORRISON THOMSON LLP
Chartered Accountants & Registered Auditors
5 Fairmile
Henley-on-Thames
Oxfordshire
RG9 2JR

BETA SERVICES (UK) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

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BETA SERVICES (UK) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

G Wilson
I M Wilson

Company secretary

G Wilson

Registered office

11 Indecon Court
Millharbour
Docklands
London
E14 9TN

Auditors

Hurst Morrison Thomson LLP
Chartered Accountants
& Registered Auditors
5 Fairmile
Henley-on-Thames
Oxfordshire
RG9 2JR

BETA SERVICES (UK) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2004

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 March 2004.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company during the year was that of a holding company.

The principal activity of the group during the year was the supply and maintenance of office equipment. The whole of the turnover of the group during the year was attributable to this continuing activity.

The group traded satisfactorily during the year and the directors do not envisage any major changes in its activities in the foreseeable future.

RESULTS AND DIVIDENDS

The trading results for the year and the group's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS

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	At
	31 March 2004	1 April 2003
G Wilson	51	51
I M Wilson	—	—

FIXED ASSETS

The movements in tangible fixed assets during the year are set out in the notes to the accounts.

EMPLOYEES

The policy of the group is to offer the same opportunities to disabled people as to all others in respect of recruitment and career advancement provided their disability does not prevent them from carrying out their duties. Employees who become disabled will, wherever possible, be retained, rehabilitated and retrained.

POLICY ON THE PAYMENT OF CREDITORS

It is the group's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the group and its suppliers, provided that all trading terms and conditions have been compiled with.

At the year end, the group had an average of 40 (2003: 41) days purchases outstanding in trade creditors.

BETA SERVICES (UK) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2004

DIRECTORS' RESPONSIBILITIES

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 and of the group at the end of the year and of the group's 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 pages 11 to 12, and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DONATIONS

During the year the company made the following contributions:

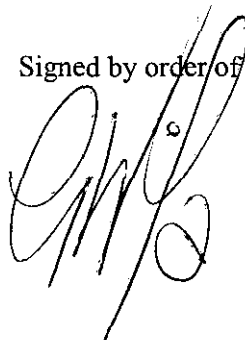
	2004	2003
	£	£
Charitable	<u>3,060</u>	<u>150</u>

AUDITORS

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

Registered office:
11 Indecon Court
Millharbour
Docklands
London
E14 9TN

Signed by order of the directors



G WILSON
Company Secretary

Approved by the directors on 14/10/04

BETA SERVICES (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BETA SERVICES (UK) LIMITED

YEAR ENDED 31 MARCH 2004



HURST MORRISON THOMSON

5 Fairmile Henley-on-Thames
Oxfordshire RG9 2JR
telephone: 01491 579866
facsimile: 01491 573397
email: hmt@hmtgroup.co.uk
www.hmtgroup.com

We have audited the financial statements on pages 6 to 19 which have been prepared under the historical cost convention and the accounting policies set out on pages 11 to 12.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 1985. We also report to you if, in our opinion, the Directors' 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 directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom 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 group'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.

BETA SERVICES (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BETA SERVICES (UK) LIMITED *(continued)*

YEAR ENDED 31 MARCH 2004

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs and of the group as at 31 March 2004 and of the profit of the group for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



HURST MORRISON THOMSON LLP
Chartered Accountants
& Registered Auditors

5 Fairmile
Henley-on-Thames
Oxfordshire
RG9 2JR

14th October 2004

BETA SERVICES (UK) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2004

	Note	2004 £	2003 £
GROUP TURNOVER	2	31,873,798	35,462,848
Cost of sales		28,456,467	32,512,930
GROSS PROFIT		3,417,331	2,949,918
Distribution costs		709,236	669,476
Administrative expenses		2,073,494	1,657,805
OPERATING PROFIT	3	634,601	622,637
Interest receivable		622	—
Interest payable	6	(216,924)	(254,854)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		418,299	367,783
Tax on profit on ordinary activities	7	111,044	104,902
RETAINED PROFIT FOR THE FINANCIAL YEAR	8	307,255	262,881

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

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

The company has taken advantage of section 230 of the Companies Act 1985 not to publish its own Profit and Loss Account.

The notes on pages 11 to 19 form part of these financial statements.

BETA SERVICES (UK) LIMITED

GROUP BALANCE SHEET

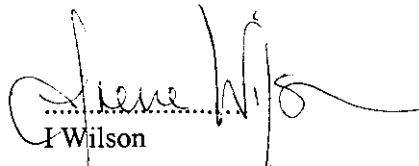
31 MARCH 2004

	Note	2004 £	2003 £
FIXED ASSETS			
Tangible assets	9	<u>158,902</u>	<u>174,770</u>
CURRENT ASSETS			
Stocks	11	2,471,975	2,824,708
Debtors	12	7,280,816	7,240,851
Cash in hand		1,005	—
		<u>9,753,796</u>	<u>10,065,559</u>
CREDITORS: Amounts falling due within one year	13	<u>8,117,933</u>	<u>8,747,627</u>
NET CURRENT ASSETS		<u>1,635,863</u>	<u>1,317,932</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,794,765</u>	<u>1,492,702</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	14	9,880	15,072
		<u>1,784,885</u>	<u>1,477,630</u>
CAPITAL AND RESERVES			
Called-up equity share capital	17	100	100
Profit and loss account	18	1,784,785	1,477,530
SHAREHOLDERS' FUNDS	19	<u>1,784,885</u>	<u>1,477,630</u>

These financial statements were approved by the directors on the 14 October 2004 and are signed on their behalf by:



G Wilson



J Wilson

The notes on pages 11 to 19 form part of these financial statements.

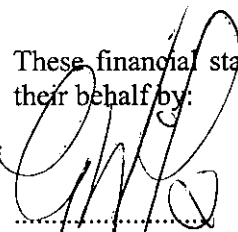
BETA SERVICES (UK) LIMITED

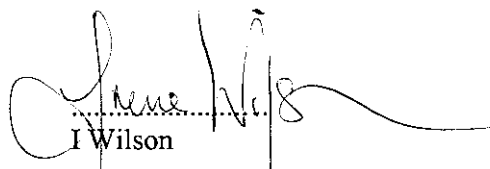
BALANCE SHEET

31 MARCH 2004

	Note	2004 £	2003 £
FIXED ASSETS			
Investments	10	<u>225,000</u>	<u>225,000</u>
CREDITORS: Amounts falling due within one year	13	<u>224,900</u>	<u>224,900</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>100</u>	<u>100</u>
CAPITAL AND RESERVES			
Called-up equity share capital	17	<u>100</u>	<u>100</u>
SHAREHOLDERS' FUNDS		<u>100</u>	<u>100</u>

These financial statements were approved by the directors on the 14 October 2004 and are signed on their behalf by:


G Wilson


I Wilson

The notes on pages 11 to 19 form part of these financial statements.

BETA SERVICES (UK) LIMITED**CASH FLOW STATEMENT****YEAR ENDED 31 MARCH 2004**

	2004 £	2003 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	902,198	453,249
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	622	—
Interest paid	(216,924)	(254,854)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(216,302)	(254,854)
TAXATION	(89,941)	(116,506)
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(46,383)	(2,192)
Receipts from sale of fixed assets	3,799	130,711
NET CASH (OUTFLOW)/INFLOW FROM CAPITAL EXPENDITURE	(42,584)	128,519
CASH INFLOW BEFORE FINANCING	553,371	210,408
FINANCING		
Repayment of debenture loans	(536,180)	72,800
NET CASH (OUTFLOW)/INFLOW FROM FINANCING	(536,180)	72,800
INCREASE IN CASH	17,191	283,208
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
	2004 £	2003 £
Operating profit	634,601	622,637
Depreciation	58,641	67,542
(Profit)/Loss on disposal of fixed assets	(189)	4,055
Decrease/(increase) in stocks	352,733	(528,597)
(Increase)/decrease in debtors	(39,965)	833,887
Decrease in creditors	(103,623)	(546,275)
Net cash inflow from operating activities	902,198	453,249

The notes on pages 11 to 19 form part of these financial statements.

BETA SERVICES (UK) LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31 MARCH 2004

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2004 £	2003 £
Increase in cash in the period	17,191	283,208
Net cash outflow from/(inflow) from debentures	536,180	(72,800)
	<u>553,371</u>	<u>210,408</u>
Change in net debt	553,371	210,408
Net debt at 1 April 2003	(4,600,837)	(4,811,246)
Net debt at 31 March 2004	<u>(4,047,466)</u>	<u>(4,600,837)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2003 £	Cash flows £	At 31 Mar 2004 £
Net cash:			
Cash in hand and at bank	—	1,005	1,005
Overdrafts	(297,801)	16,186	(281,615)
	<u>(297,801)</u>	<u>17,191</u>	<u>(280,610)</u>
Debt:			
Debt due within 1 year	(4,303,036)	536,180	(3,766,856)
Net debt	<u>(4,600,837)</u>	<u>553,371</u>	<u>(4,047,466)</u>

The notes on pages 11 to 19 form part of these financial statements.

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

1. ACCOUNTING POLICIES

Basis of accounting

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 230 of the Companies Act 1985.

Related parties transactions

The company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the group.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	- 15% Straight Line
Motor Vehicles	- 25% Straight Line
Equipment	- 25% Straight Line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

1. ACCOUNTING POLICIES *(continued)*

Pension costs

The group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the group. The annual contributions payable are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. TURNOVER

In the opinion of the directors it may be seriously prejudicial to the interests of the company to disclose information regarding turnover. They have therefore taken exemption under paragraph 55(5) Sch 4 of the Companies Act 1985.

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2004	2003
	£	£
Depreciation of owned fixed assets	58,641	67,542
(Profit)/Loss on disposal of fixed assets	(189)	4,055
Auditors' remuneration		
- as auditors	12,000	11,500
- for other services	5,050	4,328
Operating lease costs:		
Land and buildings	66,265	65,993
Net profit on foreign currency translation	<u>(18,827)</u>	<u>(55,325)</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to:

	2004	2003
	No	No
Number of distribution staff	17	16
Number of administrative staff	11	10
	<u>28</u>	<u>26</u>

The aggregate payroll costs of the above were:

	2004	2003
	£	£
Wages and salaries	951,441	893,398
Social security costs	101,552	105,289
Staff pension costs	12,233	10,192
Other pension costs	11,033	12,485
	<u>1,076,259</u>	<u>1,021,364</u>

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2004	2003
	£	£
Emoluments receivable	262,698	176,736
Value of company pension contributions to money purchase schemes	11,033	12,485
	<u>272,748</u>	<u>189,221</u>

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

5. DIRECTORS' EMOLUMENTS *(continued)*

Emoluments of highest paid director:

	2004	2003
	£	£
Total emoluments (excluding pension contributions)	94,445	—
Value of company pension contributions to money purchase schemes	3,000	—
	<u>97,445</u>	<u>—</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2004	2003
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2004	2003
	£	£
Interest payable on bank borrowing	8,580	41,854
Other similar charges payable	208,344	213,000
	<u>216,924</u>	<u>254,854</u>

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2004	2003
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 30% (2003 - 30%)	115,925	89,830
(Over)/under provision in prior year	311	26,306
Total current tax	<u>116,236</u>	<u>116,136</u>
Deferred tax:		
Origination and reversal of timing differences	(5,192)	(11,234)
Tax on profit on ordinary activities	<u>111,044</u>	<u>104,902</u>

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

7. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of -% (2003 - -%).

	2004 £	2003 £
Profit on ordinary activities before taxation	<u>418,299</u>	<u>367,783</u>
Profit/(loss) on ordinary activities by rate of tax	125,490	110,335
Non deductible expenses	3,280	8,460
Prior year tax adjustments	(311)	(13,893)
Depreciation in excess of capital allowances	(8,087)	-
Other reconciling items	<u>(4,136)</u>	<u>11,234</u>
Total current tax (note 7(a))	<u>116,236</u>	<u>116,136</u>

8. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the accounts of the parent company was £Nil (2003 - £Nil).

9. TANGIBLE FIXED ASSETS

Group	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
COST				
At 1 April 2003	220,149	32,383	160,584	413,116
Additions	7,306	39,077	-	46,383
Disposals	-	(14,443)	-	(14,443)
At 31 March 2004	<u>227,455</u>	<u>57,017</u>	<u>160,584</u>	<u>445,056</u>
DEPRECIATION				
At 1 April 2003	131,188	17,897	89,261	238,346
Charge for the year	18,641	13,376	26,624	58,641
On disposals	-	(10,833)	-	(10,833)
At 31 March 2004	<u>149,829</u>	<u>20,440</u>	<u>115,885</u>	<u>286,154</u>
NET BOOK VALUE				
At 31 March 2004	<u>77,626</u>	<u>36,577</u>	<u>44,699</u>	<u>158,902</u>
At 31 March 2003	<u>88,961</u>	<u>14,486</u>	<u>71,323</u>	<u>174,770</u>
Capital commitments				
			2004 £	2003 £
Contracted but not provided for in the financial statements			-	<u>25,000</u>

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

10. INVESTMENTS

Company	Group companies
	£
COST	
At 1 April 2003 and 31 March 2004	<u>225,000</u>
NET BOOK VALUE	
At 31 March 2004	<u>225,000</u>
At 31 March 2003	<u>225,000</u>

The company owns 100% of the issued share capital of Beta Distribution Plc whose results for the year are included in the consolidated financial statements.

11. STOCKS

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Finished goods	<u>2,471,975</u>	<u>2,824,708</u>	<u>-</u>	<u>-</u>

12. DEBTORS

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Trade debtors	5,940,195	5,929,546	-	-
Other debtors	452,312	397,192	-	-
Directors current accounts	7,019	-	-	-
Prepayments and accrued income	881,290	914,113	-	-
	<u>7,280,816</u>	<u>7,240,851</u>	<u>-</u>	<u>-</u>

The maximum balance during the year of C Slaymark director loan account was £7,019. The loan is interest free.

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

13. CREDITORS: Amounts falling due within one year

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Invoice discounting	3,766,856	4,303,036	—	—
Bank loans and overdrafts	281,615	297,801	—	—
Trade creditors	3,648,532	3,683,642	—	—
Directors' loan accounts	212,148	224,900	224,900	224,900
Other creditors	200,188	140,381	—	—
Accruals and deferred income	8,594	97,867	—	—
	<u>8,117,933</u>	<u>8,747,627</u>	<u>224,900</u>	<u>224,900</u>

The overdraft is secured by an unscheduled mortgage debenture dated 22 January 1993 with a fixed and floating charge over all current and future assets of the company.

Book Debt waiver issued in favour of Lombard Natwest Discounting Limited dated 28 May 1996.

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Invoice discounting	3,766,856	4,303,036	—	—
Bank loans and overdrafts	281,615	297,800	—	—
	<u>4,048,471</u>	<u>4,600,836</u>	<u>—</u>	<u>—</u>

14. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Provision brought forward	15,072	26,306	—	—
Decrease in provision	(5,192)	(11,234)	—	—
Provision carried forward	<u>9,880</u>	<u>15,072</u>	<u>—</u>	<u>—</u>

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

15. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2004 the group had annual commitments under non-cancellable operating leases as set out below.

Group	Land and buildings	
	2004	2003
	£	£
Operating leases which expire:		
Within 2 to 5 years	64,240	-
After more than 5 years	-	66,511
	<u>64,240</u>	<u>66,511</u>

16. RELATED PARTY TRANSACTIONS

The company was under the control of Mr G Wilson, director throughout the current and previous year. During the year the company sold goods to The Beta Export Partnership, a partnership operated by the directors of Beta Distribution plc. Included in creditors due within one year at 31 March 2004 the group owed the partnership £18,740 (2003: Other debtors £196,917) to Beta Distribution plc.

The company sold a vehicle to Mr G Wilson for the sum of £3,800 during the year. The amount of £3,800 is still owing at the date of the balance sheet.

17. SHARE CAPITAL

Authorised share capital:

	2004	2003
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

18. RESERVES

Group	Profit and loss account
	£
Balance brought forward	1,477,530
Retained profit for the year	<u>307,255</u>
Balance carried forward	<u>1,784,785</u>

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

18. RESERVES *(continued)*

Company	Profit and loss account £
	<hr/>

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004 £	2003 £
Profit for the financial year	307,255	262,881
Opening shareholders' equity funds	1,477,630	1,214,749
Closing shareholders' equity funds	<u>1,784,885</u>	<u>1,477,630</u>

20. PENSIONS

The group has not operated, or contributed to any pension scheme on behalf of its employees.

21. CONTINGENCIES

The directors have confirmed that there were no contingent liabilities which should be disclosed at 31 March 2004.