

COMPANY REGISTRATION NUMBER 3512997

BETA SERVICES (UK) LIMITED
FINANCIAL STATEMENTS
FOR
31 MARCH 2006



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 2006

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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

Auditor

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

Bankers

HSBC Bank Plc
PO Box 648
27-32 Poultry
London
EC2P 2BX

Solicitors

Gough Clinton & Broom
104 Bellegrove Road
Welling
Kent
DE16 3QD

BETA SERVICES (UK) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2006

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 March 2006.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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.

I am pleased to report a very successful 2006 in which we were able to show an increase in turnover of 15% whilst maintaining gross margin and reporting an uplift in operating profit of 21%.

Once again market conditions have been difficult, consumers are now better educated than ever before and margins are therefore under intense pressure, I believe there will be further business failures throughout 2007 and the typical office equipment reseller must be willing to change his business model and rationale in order to compete with an aggressive competition.

On a personal level, our business remains strong, our infrastructure is better placed than ever before to cope with anything the market throws at us and to assist us with what are aggressive growth plans *once more*.

It just remains for me to pass on my thanks and congratulations to my directors and staff for all their efforts this year and to call on their continual focus and hard work in 2007.

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.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Margin Erosion

In a highly competitive environment and with the ever increasing influence of the internet, prices are coming under increasing scrutiny, we recognise that we need to continue to buy aggressively and minimise overheads in order to report a continued growth in profitability.

Customer base

In an industry where more and more of our competitors are setting up a direct side to their business we remain confident that by keeping by our principals of selling only to trade customers we will be seen as a welcome alternative. However we must continue to add diversity to our business in order to maximise opportunities in a shrinking market.

Credit Risk

Beta minimises its exposure to bad debts by enforcing a strict credit control procedure backed up by a credit insurance policy.

BETA SERVICES (UK) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2006

Working Capital

We recognise that liquidity is key in the distribution sector, by managing key ratios such as stock turn and debtors days we will ensure that the necessary working capital is available to meet our future expansion plans.

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 31 March 2006	At 1 April 2005
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 complied with.

At the year end, the group had an average of 48 (2005: 40) days purchases outstanding in trade creditors.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 and of the profit or loss of the group for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies, as described on pages 12 to 14, 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.
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BETA SERVICES (UK) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2006

The directors are responsible for keeping proper accounting records that 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.

In so far as the directors are aware:

- there is no relevant audit information of which the group's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

DONATIONS

During the year the company made the following contributions:

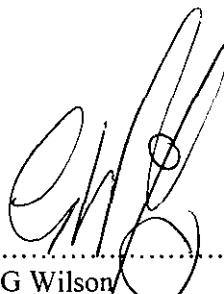
	2006	2005
	£	£
Charitable	<u>5,110</u>	<u>3,413</u>

AUDITOR

A resolution to re-appoint Hurst Morrison Thomson LLP as auditor 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 on26/1/07.....

BETA SERVICES (UK) LIMITED

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

YEAR ENDED 31 MARCH 2006



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 group and parent company financial statements ("the financial statements") of Beta Services (UK) Limited for the year ended 31 March 2006 on pages 7 to 20 which have been prepared on the basis of the accounting policies set out on pages 12 to 14.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

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 (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 and 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.

BETA SERVICES (UK) LIMITED

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

YEAR ENDED 31 MARCH 2006

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 March 2006 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



HURST MORRISON THOMSON LLP
Chartered Accountants
& Registered Auditors

5 Fairmile
Henley-on-Thames
Oxfordshire
RG9 2JR

30th January 2007

BETA SERVICES (UK) LIMITED
GROUP PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2006

	Note	2006 £	2005 £
GROUP TURNOVER	2	41,788,666	36,234,184
Cost of sales		37,575,898	32,707,324
GROSS PROFIT		<u>4,212,768</u>	<u>3,526,860</u>
Distribution costs		889,214	696,715
Administrative expenses		2,265,732	1,955,410
OPERATING PROFIT	3	1,057,822	874,735
Other provisions		(25,000)	(25,000)
Interest payable and similar charges	6	330,444	273,407
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>702,378</u>	<u>576,328</u>
Tax on profit on ordinary activities	7	201,293	160,323
PROFIT FOR THE FINANCIAL YEAR	8	<u>501,085</u>	<u>416,005</u>

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.

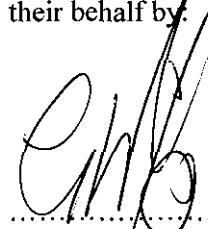
The company has taken advantage of section 230 of the Companies Act 1985 not to publish its own Profit and Loss Account.

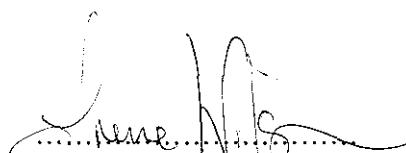
The notes on pages 12 to 20 form part of these financial statements.

BETA SERVICES (UK) LIMITED**GROUP BALANCE SHEET****31 MARCH 2006**

	Note	2006 £	2005 £
FIXED ASSETS			
Tangible assets	9	<u>103,382</u>	<u>82,726</u>
CURRENT ASSETS			
Stocks	11	3,844,945	3,953,004
Debtors	12	10,902,312	8,659,655
Cash in hand		<u>1,095</u>	<u>1,095</u>
		<u>14,748,352</u>	<u>12,613,754</u>
CREDITORS: Amounts falling due within one year	13	<u>12,099,759</u>	<u>10,470,590</u>
NET CURRENT ASSETS		<u>2,648,593</u>	<u>2,143,164</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,751,975</u>	<u>2,225,890</u>
PROVISIONS FOR LIABILITIES			
Other provisions	15	<u>50,000</u>	<u>25,000</u>
		<u>2,701,975</u>	<u>2,200,890</u>
CAPITAL AND RESERVES			
Called-up equity share capital	19	100	100
Profit and loss account	20	2,701,875	2,200,790
SHAREHOLDERS' FUNDS	21	<u>2,701,975</u>	<u>2,200,890</u>

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


.....
G Wilson


.....
I Wilson

The notes on pages 12 to 20 form part of these financial statements.

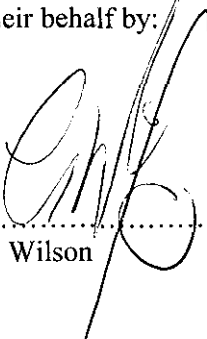
BETA SERVICES (UK) LIMITED

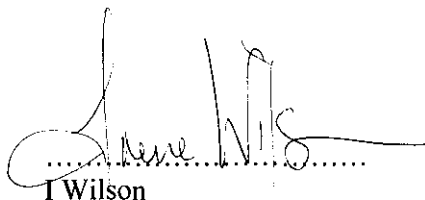
BALANCE SHEET

31 MARCH 2006

	Note	2006 £	2005 £
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	19	<u>100</u>	<u>100</u>
SHAREHOLDERS' FUNDS		<u>100</u>	<u>100</u>

These financial statements were approved by the directors on the 20/1/07 and are signed on their behalf by:


.....
G Wilson


.....
I Wilson

The notes on pages 12 to 20 form part of these financial statements.

BETA SERVICES (UK) LIMITED**GROUP CASH FLOW STATEMENT****YEAR ENDED 31 MARCH 2006**

	2006 £	2005 £
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(1,246,340)	(284,073)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest paid	<u>(330,444)</u>	<u>(273,407)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(330,444)	(273,407)
TAXATION	(155,131)	(109,329)
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	<u>(51,874)</u>	<u>—</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(51,874)	—
CASH OUTFLOW BEFORE FINANCING	(1,783,789)	(666,809)
FINANCING		
Increase in invoice discounting	<u>1,349,587</u>	<u>944,160</u>
NET CASH INFLOW FROM FINANCING	1,349,587	944,160
(DECREASE)/INCREASE IN CASH	<u>(434,202)</u>	<u>277,351</u>

RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2006 £	2005 £
Operating profit	1,057,822	874,735
Depreciation	31,218	76,176
Decrease/(increase) in stocks	108,059	(1,481,029)
Increase in debtors	(2,242,657)	(1,378,839)
(Decrease)/increase in creditors	(225,782)	1,599,884
Increase in provisions	25,000	25,000
Net cash outflow from operating activities	<u>(1,246,340)</u>	<u>(284,073)</u>

The notes on pages 12 to 20 form part of these financial statements.

BETA SERVICES (UK) LIMITED**GROUP CASH FLOW STATEMENT** *(continued)***YEAR ENDED 31 MARCH 2006****RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	2006 £	2005 £
(Decrease)/increase in cash in the period	(434,202)	277,351
Net cash (inflow) from invoice discounting	(1,349,587)	(944,160)
	(1,783,789)	(666,809)
Change in net debt	(1,783,789)	(666,809)
Net debt at 1 April 2005	(4,714,275)	(4,047,466)
Net debt at 31 March 2006	(6,498,064)	(4,714,275)

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2005 £	Cash flows £	At 31 Mar 2006 £
Net cash:			
Cash in hand and at bank	1,095	—	1,095
Overdrafts	(4,354)	(434,202)	(438,556)
	(3,259)	(434,202)	(437,461)
Debt:			
Debt due within 1 year	(4,711,016)	(1,349,587)	(6,060,603)
Net debt	(4,714,275)	(1,783,789)	(6,498,064)

The notes on pages 12 to 20 form part of these financial statements.

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2006

1. ACCOUNTING POLICIES

Basis of accounting

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

Changes in accounting policies

In preparing the financial statements for the current year, the group has adopted the following Financial Reporting Standards:

-the presentation requirements of 'FRS 25 'Financial Instruments: Disclosure and Presentation (IAS 32)''.

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 group profit and loss account after or up to the date that control passes respectively. As a consolidated group 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 group 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

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2006

1. ACCOUNTING POLICIES *(continued)*

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.

Pension costs

The company operates a defined contribution pension scheme. Contributions 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.

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2006

1. ACCOUNTING POLICIES *(continued)*

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

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) of Schedule 4 of the Companies Act 1985.

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2006	2005
	£	£
Depreciation of owned fixed assets	31,218	76,176
Auditor's remuneration		
- as auditor	13,000	13,000
Operating lease costs:		
Other	170,491	68,411
Net profit on foreign currency translation	<u>(825)</u>	<u>(7,666)</u>

The audit fees for Beta Services (UK) Limited have been paid by another group company for both the current and the preceding year.

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2006

4. PARTICULARS OF EMPLOYEES

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

	2006	2005
	No	No
Sales staff	14	13
Administrative staff	13	13
Management staff	4	5
	<u>31</u>	<u>31</u>

The aggregate payroll costs of the above were:

	2006	2005
	£	£
Wages and salaries	1,199,644	1,074,618
Social security costs	130,761	116,005
Staff pension costs	19,428	19,322
Other pension costs	112,000	11,000
	<u>1,461,833</u>	<u>1,220,945</u>

5. DIRECTORS' EMOLUMENTS

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

	2006	2005
	£	£
Emoluments receivable	165,138	119,582
Value of company pension contributions to money purchase schemes	112,000	11,000
	<u>277,138</u>	<u>130,582</u>

Emoluments of highest paid director:

	2006	2005
	£	£
Total emoluments (excluding pension contributions)	101,533	—
Value of company pension contributions to money purchase schemes	—	—
	<u>101,533</u>	<u>—</u>

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

	2006	2005
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2006

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2006 £	2005 £
Interest payable on bank borrowing	11,580	7,749
Other similar charges payable	318,864	265,658
	<u>330,444</u>	<u>273,407</u>

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2006 £	2005 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 30% (2005 - 30%)	201,293	176,418
(Over)/under provision in prior year	-	(6,215)
Total current tax	<u>201,293</u>	<u>170,203</u>
Deferred tax:		
Origination and reversal of timing differences	-	(9,880)
Tax on profit on ordinary activities	<u>201,293</u>	<u>160,323</u>

(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 30% (2005 - 30%).

	2006 £	2005 £
Profit on ordinary activities before taxation	<u>702,378</u>	<u>576,328</u>
Profit/(loss) on ordinary activities by rate of tax	210,713	172,898
Expenses disallowed	12,708	11,451
Prior year tax adjustments	-	(6,215)
Depreciation in excess of capital allowances	(1,245)	15,828
Other reconciling items	-	(859)
Marginal rate relief	(20,883)	(22,900)
Total current tax (note 7(a))	<u>201,293</u>	<u>170,203</u>

8. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the accounts of the parent company was £Nil (2005 - £Nil).

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2006

9. TANGIBLE FIXED ASSETS

Group	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
COST				
At 1 April 2005	227,455	57,017	160,585	445,057
Additions	30,714	21,160	—	51,874
Disposals	—	(12,940)	—	(12,940)
At 31 March 2006	258,169	65,237	160,585	483,991
DEPRECIATION				
At 1 April 2005	171,537	30,209	160,585	362,331
Charge for the year	18,803	12,415	—	31,218
On disposals	—	(12,940)	—	(12,940)
At 31 March 2006	190,340	29,684	160,585	380,609
NET BOOK VALUE				
At 31 March 2006	67,829	35,553	—	103,382
At 31 March 2005	55,918	26,808	—	82,726

10. INVESTMENTS

Company	Group companies £
COST	
At 1 April 2005 and 31 March 2006	225,000
NET BOOK VALUE	
At 31 March 2006	225,000
At 31 March 2005	225,000

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

11. STOCKS

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Finished goods	3,844,945	3,953,004	—	—

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2006

12. DEBTORS

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Trade debtors	8,854,666	6,900,616	—	—
VAT recoverable	—	155,187	—	—
Other debtors	309,599	143,411	—	—
Prepayments and accrued income	1,738,047	1,460,441	—	—
	<u>10,902,312</u>	<u>8,659,655</u>	<u>—</u>	<u>—</u>

13. CREDITORS: Amounts falling due within one year

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Invoice discounting	6,060,603	4,711,016	—	—
Bank loans and overdrafts	438,556	4,354	—	—
Trade creditors	4,706,302	5,270,799	—	—
Directors' loan accounts	220,974	215,588	224,900	224,900
Corporation tax	222,961	176,799	—	—
Other taxation and social security	253,653	65,559	—	—
Accruals and deferred income	196,710	26,475	—	—
	<u>12,099,759</u>	<u>10,470,590</u>	<u>224,900</u>	<u>224,900</u>

The overdraft is secured by an unscheduled mortgage debenture dated 7 June 2004 with a fixed and floating charge over all current and future assets of the company.

Book Debt waiver issued in favour of HSBC Invoice Finance (UK) Limited dated 25 June 2004.

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

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Invoice discounting	6,060,603	4,711,016	—	—
Bank loans and overdrafts	438,556	4,354	—	—
	<u>6,499,159</u>	<u>4,715,370</u>	<u>—</u>	<u>—</u>

14. PENSIONS

The company has operated a defined contribution scheme during the year. There were no prepaid contributions at 31 March 2006 (2005: £Nil).

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2006

15. OTHER PROVISIONS

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Other provisions	<u>50,000</u>	<u>25,000</u>	<u>-</u>	<u>-</u>

16. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2006 the group had annual commitments under non-cancellable operating leases as set out below.

Group	Land and buildings	
	2006	2005
	£	£
Operating leases which expire:		
Within 2 to 5 years	<u>89,500</u>	<u>64,240</u>

17. CONTINGENCIES

There are no unprovided contingent liabilities as at 31 March 2006 (2005 £Nil).

18. 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 was charged £35,000 (2005: £35,000) for services provided by Beta Export Partnership, a partnership operated by the directors of Beta Distribution plc. Included in debtors at 31 March 2006 the company was owed by the partnership £139,907 (2005: £127,211).

19. SHARE CAPITAL

Authorised share capital:

	2006	2005
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2006		2005	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Equity shares				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2006

20. RESERVES

Group	Profit and loss account £
Balance brought forward	2,200,790
Profit for the year	501,085
Balance carried forward	<u>2,701,875</u>
Company	Profit and loss account £
	-

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006 £	2005 £
Profit for the financial year	501,085	416,005
Opening shareholders' funds	<u>2,200,890</u>	<u>1,784,885</u>
Closing shareholders' funds	<u>2,701,975</u>	<u>2,200,890</u>

22. CAPITAL COMMITMENTS

The directors have confirmed that there were no capital commitments at 31 March 2006.