

BETA SERVICES (UK) LIMITED
FINANCIAL STATEMENTS
FOR
31 MARCH 2008



HMT ASSURANCE LLP
Chartered Accountants & Registered Auditors
5 Fairmile
Henley-on-Thames
Oxfordshire
RG9 2JR

BETA SERVICES (UK) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

CONTENTS	PAGE
Officers and professional advisers	1
The directors' report	2
Independent auditor's report to the shareholders	4
Group profit and loss account	7
Group balance sheet	8
Balance sheet	9
Group cash flow statement	10
Notes to the financial statements	13

BETA SERVICES (UK) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	G Wilson I M Wilson
Company secretary	G Wilson
Registered office	Unit 2 Quebec Wharf 14 Thomas Road London E14 7AF
Auditor	HMT Assurance 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 *(continued)*

YEAR ENDED 31 MARCH 2008

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 March 2008.

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.

2008 was another successful year for Beta Services (UK) Limited. Turnover remained strong, and in an industry where competition is intense, to increase our gross margin return was an exceptional performance.

I write this report as the UK has entered into its first recession for many years, and all businesses will need to examine their business models and strategies to ensure survival through these difficult times, I sit here safe in the knowledge that we are well placed to cope and prosper throughout this period.

Our market place specifically has seen unprecedented consolidation in recent times, yet this presents even greater opportunities for Beta. Resellers will be looking for a distribution partner that is responsive and flexible and more importantly does not offer a potential conflict of interest to their end users.

We have been further strengthened this year by our first acquisition, Digital Office Supplies. This will add even greater diversification to the group and further moves into this market are anticipated in the future.

To summarise, I expect a strong performance in 2009, turnover and profitability are budgeted to increase and we are well positioned to deliver upon these.

I will, as always, end by thanking my fellow directors, staff and stakeholders for their continued support and hard work and I look forward to 2009.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £188,937. 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.

BETA SERVICES (UK) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2008

Credit Risk

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

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 our future expansion plans.

DIRECTORS

The directors who served the company during the year were as follows:

G Wilson
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 41 (2007: 39) days purchases outstanding in trade creditors.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
 - make judgements and estimates that are reasonable and prudent;
 - state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
 - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.
-

BETA SERVICES (UK) LIMITED

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

YEAR ENDED 31 MARCH 2008

DIRECTORS' RESPONSIBILITIES *(continued)*

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 1985. They 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 auditor is 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 auditor is aware of that information.

DONATIONS

During the year the company made the following contributions:

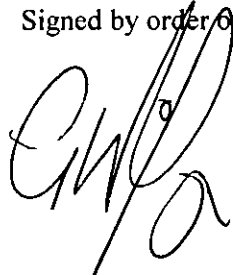
	2008	2007
	£	£
Charitable	<u>900</u>	<u>640</u>

AUDITOR

Hurst Morrison Thomson LLP the Company's auditor transferred its assurance business to HMT Assurance LLP. The Directors consented to treating the appointment of Hurst Morrison Thomson LLP as extending to HMT Assurance LLP. The auditors are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Registered office:
Unit 2 Quebec Wharf
14 Thomas Road
London
E14 7AF

Signed by order of the directors



G WILSON
Company Secretary

Approved by the directors on ...28/4/2009 .

BETA SERVICES (UK) LIMITED

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



YEAR ENDED 31 MARCH 2008

HMT Assurance
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 2008, which have been prepared on the basis of the accounting policies set out on pages 13 to 14.

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 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 2008

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 2008 and of the group's profit for the year then ended;
- the financial statements 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.



5 Fairmile
Henley-on-Thames
Oxfordshire
RG9 2JR


.....

HMT ASSURANCE LLP
Chartered Accountants
& Registered Auditors

BETA SERVICES (UK) LIMITED
GROUP PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2008

	Note	2008 £	2007 £
GROUP TURNOVER	2	50,127,633	49,431,085
Cost of sales		(45,691,928)	(45,299,111)
GROSS PROFIT		4,435,705	4,131,974
Distribution costs		(1,048,155)	(1,009,037)
Administrative expenses		(2,644,366)	(2,387,951)
OPERATING PROFIT	3	743,184	734,986
Other provisions		—	(25,000)
Interest payable and similar charges	6	(525,515)	(430,213)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		217,669	279,773
Tax on profit on ordinary activities	7	(28,732)	(59,238)
PROFIT FOR THE FINANCIAL YEAR	8	188,937	220,535

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 13 to 22 form part of these financial statements.

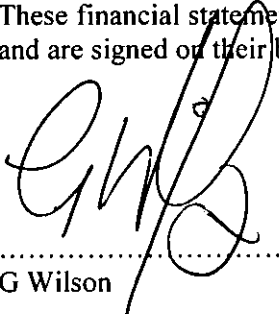
BETA SERVICES (UK) LIMITED

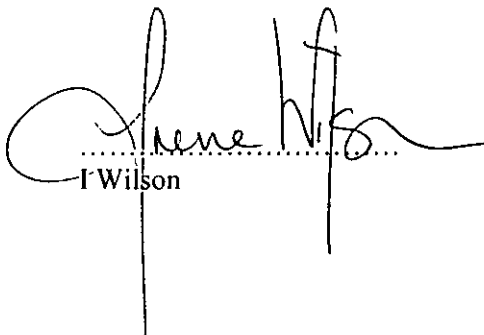
GROUP BALANCE SHEET

31 MARCH 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Intangible assets	9	332,721	—
Tangible assets	10	189,011	109,548
		<u>521,732</u>	<u>109,548</u>
CURRENT ASSETS			
Stocks	12	6,726,801	4,906,675
Debtors	13	13,515,833	11,197,870
Cash at bank and in hand		183	105,670
		<u>20,242,817</u>	<u>16,210,215</u>
CREDITORS: Amounts falling due within one year	14	<u>(17,643,294)</u>	<u>(13,322,253)</u>
NET CURRENT ASSETS		<u>2,599,523</u>	<u>2,887,962</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,121,255</u>	<u>2,997,510</u>
CREDITORS: Amounts falling due after more than one year	15	<u>(9,808)</u>	<u>—</u>
		<u>3,111,447</u>	<u>2,997,510</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	17	—	—
Other provisions	18	—	(75,000)
		<u>3,111,447</u>	<u>2,922,510</u>
CAPITAL AND RESERVES			
Called-up equity share capital	20	100	100
Profit and loss account	21	3,111,347	2,922,410
SHAREHOLDERS' FUNDS	22	<u>3,111,447</u>	<u>2,922,510</u>

These financial statements were approved by the directors and authorised for issue on 28/4/2009, and are signed on their behalf by:


.....
G Wilson


.....
I Wilson

The notes on pages 13 to 22 form part of these financial statements.

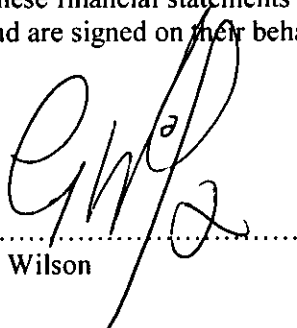
BETA SERVICES (UK) LIMITED

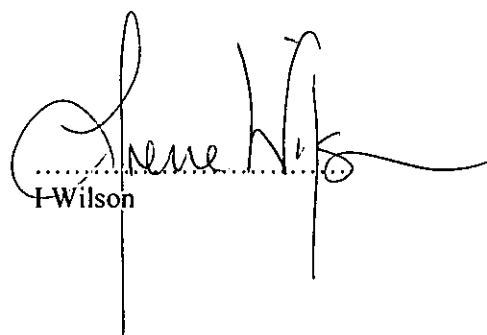
BALANCE SHEET

31 MARCH 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Investments	11	<u>820,579</u>	<u>225,000</u>
CREDITORS: Amounts falling due within one year	14	<u>(820,479)</u>	<u>(224,900)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>100</u>	<u>100</u>
CAPITAL AND RESERVES			
Called-up equity share capital	20	<u>100</u>	<u>100</u>
SHAREHOLDERS' FUNDS		<u>100</u>	<u>100</u>

These financial statements were approved by the directors and authorised for issue on ...28/4/2009... ,
and are signed on their behalf by:


.....
G Wilson


.....
I Wilson

The notes on pages 13 to 22 form part of these financial statements.

BETA SERVICES (UK) LIMITED**GROUP CASH FLOW STATEMENT****YEAR ENDED 31 MARCH 2008**

	2008 £	2007 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	(733,713)	1,049,227
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest paid	<u>(525,515)</u>	<u>(430,213)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(525,515)	(430,213)
TAXATION	(49,467)	(203,478)
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(124,763)	—
Payments to acquire tangible fixed assets	—	(39,866)
Receipts from sale of fixed assets	<u>13,645</u>	<u>—</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(111,118)	(39,866)
ACQUISITIONS & DISPOSALS		
Acquisition of shares in group undertakings	(595,579)	—
Net cash acquired with subsidiary	<u>26,635</u>	<u>—</u>
NET CASH OUTFLOW FROM ACQUISITIONS AND DISPOSALS	(568,944)	—
CASH (OUTFLOW)/INFLOW BEFORE FINANCING	(1,988,757)	375,670
FINANCING		
Increase in invoice discounting	1,326,696	14,603
(Repayment of)/increase in bank loans	(138,594)	152,858
Capital element of hire purchase	<u>(14,799)</u>	<u>—</u>
NET CASH INFLOW FROM FINANCING	1,173,303	167,461
(DECREASE)/INCREASE IN CASH	<u>(815,454)</u>	<u>543,131</u>

The notes on pages 13 to 22 form part of these financial statements.

BETA SERVICES (UK) LIMITED

GROUP CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2008

RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	2008 £	2007 £
Operating profit	743,184	734,986
Amortisation	20,486	–
Depreciation	14,508	33,700
Loss on disposal of fixed assets	39,993	–
Increase in stocks	(1,557,954)	(1,061,730)
Increase in debtors	(2,174,904)	(295,558)
Increase in creditors	2,255,974	1,612,829
(Decrease)/increase in provisions	(75,000)	25,000
Net cash (outflow)/inflow from operating activities	<u>(733,713)</u>	<u>1,049,227</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2008 £	2007 £
(Decrease)/increase in cash in the period	(815,454)	543,131
Net cash (inflow) from invoice discounting	(1,326,696)	(14,603)
Net cash outflow from/(inflow) from bank loans	138,594	(152,858)
Cash outflow in respect of hire purchase	14,799	–
	<u>(1,988,757)</u>	<u>375,670</u>
Change in net debt	(1,988,757)	375,670
Acquired finance lease	(27,608)	–
Acquired invoice discounting	(100,321)	–
Net debt at 1 April 2007	<u>(6,122,394)</u>	<u>(6,498,064)</u>
Net debt at 31 March 2008	<u>(8,239,080)</u>	<u>(6,122,394)</u>

The notes on pages 13 to 22 form part of these financial statements.

BETA SERVICES (UK) LIMITED

GROUP CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2008

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2007 £	Cash flows £	At 31 Mar 2008 £
Net cash:			
Cash in hand and at bank	105,670	(105,487)	183
Overdrafts	–	(709,967)	(709,967)
	<u>105,670</u>	<u>(815,454)</u>	<u>(709,784)</u>
Debt:			
Debt due within 1 year	(6,228,064)	(1,288,424)	(7,516,488)
Hire purchase agreements	–	(12,808)	(12,808)
	<u>(6,228,064)</u>	<u>(1,301,232)</u>	<u>(7,529,296)</u>
Net debt	<u>(6,122,394)</u>	<u>(2,116,686)</u>	<u>(8,239,080)</u>

The notes on pages 13 to 22 form part of these financial statements.

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

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 twenty 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.

Turnover

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

Amortisation

Amortisation 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:

Goodwill	-	20 years
----------	---	----------

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:

Leasehold Property	-	10% Straight line
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.

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

1. ACCOUNTING POLICIES *(continued)*

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.

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.

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

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:

	2008	2007
	£	£
Amortisation	14,508	—
Depreciation of owned fixed assets	18,541	33,700
Depreciation of assets held under hire purchase agreements	1,945	—
Loss on disposal of fixed assets	39,993	—
Operating lease costs:		
Plant and equipment	5,625	—
Other	89,312	94,492
Net loss on foreign currency translation	—	26,265
Auditor's remuneration	13,000	13,000

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

	2008	2007
	£	£
Auditor's remuneration - audit of the financial statements	13,000	13,000

4. PARTICULARS OF EMPLOYEES

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

	2008	2007
	No	No
Sales staff	22	15
Administrative staff	16	16
Management staff	7	3
	45	34

The aggregate payroll costs of the above were:

	2008	2007
	£	£
Wages and salaries	1,605,604	1,455,820
Social security costs	156,677	163,323
Staff pension costs	18,263	24,685
Other pension costs	26,800	12,000
	1,807,344	1,655,828

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

5. DIRECTORS' EMOLUMENTS

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

	2008	2007
	£	£
Emoluments receivable	330,968	236,629
Value of company pension contributions to money purchase schemes	26,800	18,000
	<u>357,768</u>	<u>254,629</u>

Emoluments of highest paid director:

	2008	2007
	£	£
Total emoluments (excluding pension contributions)	<u>100,000</u>	<u>62,000</u>

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

	2008	2007
	No	No
Money purchase schemes	<u>4</u>	<u>1</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2008	2007
	£	£
Interest payable on bank borrowing	59,669	35,397
Other similar charges payable	465,846	394,816
	<u>525,515</u>	<u>430,213</u>

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2008	2007
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 30% (2007 30 %)	28,732	60,311
(Over)/under provision in prior year	-	(1,073)
Total current tax	<u>28,732</u>	<u>59,238</u>

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

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 30% (2007 - 30%).

	2008 £	2007 £
Profit on ordinary activities before taxation	<u>217,669</u>	<u>279,773</u>
Profit on ordinary activities by rate of tax	65,301	83,932
Expenses disallowed	19,670	11,466
Depreciation in excess of capital allowances	(18,282)	(2,365)
Marginal rate relief	(15,097)	(32,722)
Release of provision	(22,500)	-
Sundry tax adjusting items	-	(1,073)
Utilised losses carried forward	(4,712)	-
Goodwill amortisation	4,352	-
Total current tax (note 7(a))	<u>28,732</u>	<u>59,238</u>

The group has a deferred tax liability of approximately £5,000 (2007: £Nil) which is not recognised in the balance sheet as the directors consider this amount to be immaterial in the context of these financial statements.

8. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the accounts of the parent company was £Nil (2007 - £Nil).

9. INTANGIBLE FIXED ASSETS

Group	Goodwill £
COST	
On acquisition of group undertaking	111,031
Additions (See Note 25)	<u>290,150</u>
At 31 March 2008	<u>401,181</u>
AMORTISATION	
On acquisition of group undertaking	53,952
Charge for the year	<u>14,508</u>
At 31 March 2008	<u>68,460</u>
NET BOOK VALUE	
At 31 March 2008	<u>332,721</u>

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

10. TANGIBLE FIXED ASSETS

Group	Leasehold Property £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
COST					
At 1 April 2007	–	298,035	65,237	160,585	523,857
On acquisition of group undertaking	26,131	–	23,663	59,898	109,692
Additions	–	124,324	–	439	124,763
Disposals	–	(234,614)	(30,000)	(161,024)	(425,638)
At 31 March 2008	26,131	187,745	58,900	59,898	332,674
DEPRECIATION					
At 1 April 2007	–	208,981	44,743	160,585	414,309
On acquisition of group undertaking	19,933	–	13,569	47,366	80,868
Charge for the year	–	11,988	8,059	439	20,486
On disposals	–	(180,976)	(30,000)	(161,024)	(372,000)
At 31 March 2008	19,933	39,993	36,371	47,366	143,663
NET BOOK VALUE					
At 31 March 2008	6,198	147,752	22,529	12,532	189,011
At 31 March 2007	–	89,054	20,494	–	109,548

Hire purchase agreements

Included within the net book value of £189,011 is £8,433 (2007 - £Nil) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £1,945 (2007 - £Nil).

11. INVESTMENTS

Company	Group companies £
COST	
At 1 April 2007	225,000
Additions (See Note 25)	595,579
At 31 March 2008	820,579
NET BOOK VALUE	
At 31 March 2008	820,579
At 31 March 2007	225,000

The company owns 100% of the issued share capital of Beta Distribution Plc whose results are included in the consolidated financial statements. All subsidiaries are registered in England and Wales.

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

12. STOCKS

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Finished goods	<u>6,726,801</u>	<u>4,906,675</u>	<u>-</u>	<u>-</u>

13. DEBTORS

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Trade debtors	10,992,622	9,123,852	-	-
Beta Export Loan Account	278,647	195,667	-	-
Other debtors	150,241	69,229	-	-
Prepayments and accrued income	<u>2,094,323</u>	<u>1,809,122</u>	<u>-</u>	<u>-</u>
	<u>13,515,833</u>	<u>11,197,870</u>	<u>-</u>	<u>-</u>

14. CREDITORS: Amounts falling due within one year

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Invoice discounting	7,502,224	6,075,206	-	-
Bank loans and overdrafts	724,231	152,858	-	-
Trade creditors	8,938,181	5,985,110	-	-
Amounts owed to group undertakings	-	-	595,579	-
Hire purchase agreements	3,000	-	-	-
Directors' loan accounts	173,091	179,681	224,900	224,900
Corporation tax	59,232	78,721	-	-
Other taxation and social security	114,165	777,947	-	-
Other creditors	64,577	-	-	-
Accruals and deferred income	<u>64,593</u>	<u>72,730</u>	<u>-</u>	<u>-</u>
	<u>17,643,294</u>	<u>13,322,253</u>	<u>820,479</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.

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

14. CREDITORS: Amounts falling due within one year *(continued)*

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

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Invoice discounting	7,502,224	6,102,589	-	-
Bank loans and overdrafts	724,231	152,858	-	-
	<u>8,226,455</u>	<u>6,255,447</u>	<u>-</u>	<u>-</u>

15. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Hire purchase agreements	<u>9,808</u>	<u>-</u>	<u>-</u>	<u>-</u>

16. PENSIONS

The company has operated a defined contribution scheme during the year. There were no prepaid contributions at 31 March 2008 (2007: £Nil).

17. OTHER PROVISIONS

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Other provisions	<u>-</u>	<u>75,000</u>	<u>-</u>	<u>-</u>

18. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2008 the group had annual commitments under non-cancellable operating leases as set out below.

Group	Land and buildings	
	2008	2007
	£	£
Operating leases which expire:		
Within 2 to 5 years	<u>72,077</u>	<u>89,500</u>

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

19. RELATED PARTY TRANSACTIONS

The group was under the control of Mr G Wilson, director throughout the current and previous year.

During the year the group was charged £Nil (2007: £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 2007 the group was owed by the partnership £278,647 (2007: £195,667).

20. SHARE CAPITAL

Authorised share capital:

	2008	2007
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2008		2007	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

21. RESERVES

Group

	Profit and loss account £
Balance brought forward	2,922,410
Profit for the year	188,937
Balance carried forward	<u>3,111,347</u>

Company

	Profit and loss account £
Balance carried forward	<u>-</u>

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008	2007
	£	£
Profit for the financial year	188,937	220,535
Opening shareholders' funds	2,922,510	2,701,975
Closing shareholders' funds	<u>3,111,447</u>	<u>2,922,510</u>

23. CONTINGENCIES

The directors have confirmed that there were no contingent liabilities which should be disclosed at 31 March 2008.

24. CAPITAL COMMITMENTS

The directors have confirmed that there were no capital commitments at 31 March 2008.

25. ACQUISITIONS AND DISPOSALS

During the year the company acquired the entire authorised share capital of Digital Office Supplies Limited for a consideration of £595,579.

	Fair value and book value £
Intangible Fixed Assets	57,080
Tangible Fixed Assets	43,488
Stock	262,172
Debtors	143,059
Cash	26,635
Creditors	<u>(227,005)</u>
	<u>305,429</u>
Goodwill acquired	<u>290,150</u>
Satisfied by:	
Consideration paid	<u>595,579</u>