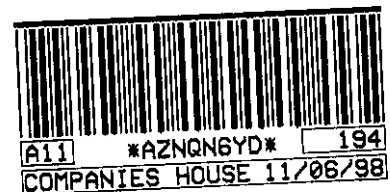


EUROTECH OFFICE DIRECT LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 1997
COMPANY NUMBER 2636827 (ENGLAND & WALES)



DIX & COMPANY
CHARTERED ACCOUNTANTS

EUROTECH OFFICE DIRECT LIMITED

REGISTERED OFFICE

Imcopex House
Station Road
Leeds
LS20 8BX

COMPANY REGISTRATION NUMBER

2636827

DIRECTORS

K Bell
Mrs J M Frazer

SECRETARY

K Bell

ACCOUNTANTS

Dix & Company
Holdsworth House
11a Wood Street
Wakefield
WF1 2EL

BANKERS

Midland Bank plc
25 Crossgate
Otley
LS21 1BD

EUROTECH OFFICE DIRECT LIMITED

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1997

The directors present their report and financial statements for the period ended 31 December 1997.

Principal activity

The company's principal activity is that of office equipment distributors.

Directors

The directors who served during the year, together with details of their interest in the company's share capital at 31 December 1997 and at 31 December 1996 were as follows:

		Number of shares	
	Class of share	At	At
		31.12.97	31.12.96
K Bell	Ordinary	1	1
Mrs J M Frazer	Ordinary	1	1

This report, which has been prepared taking advantage of special exemptions applicable to small companies, was approved by the board on 3 June 1998 and signed on its behalf



Keith Bell
Director

**ACCOUNTANTS REPORT TO THE SHAREHOLDERS ON THE UNAUDITED ACCOUNTS OF
EUROTECH OFFICE DIRECT LIMITED**

We report on the accounts for the year ended 31 December 1997 set out on pages 3 to 7.

Respective responsibilities of directors and reporting accountants.

As described on page 4 the company's directors are responsible for the preparation of accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

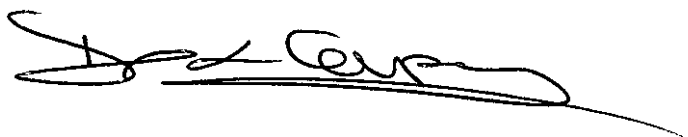
Basis of opinion

Our work was conducted in accordance with the Statement of Standards of Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- a the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- b having regard only to, and on the basis of, the information contained in those accounting records:
 - i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C (6) of the Act; and
 - ii) the company satisfied the requirements for exemption from an audit of the accounts for the year specified in section 249A (4) of the Act and did not at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249b(1).



Dix & Company

Reporting Accountants

Holdsworth House
11a Wood Street
Wakefield
WF1 2EL

3 June 1998

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1997

	Note	1997 £	1996 £
Turnover	2	43,273 (37,994)	77,690 (71,448)
Administrative charges		5,279 (2,555)	6,242 (2,201)
Operating profit	3	2,724	4,041
Profit on disposal of fixed tangible assets		-	-
Profit on ordinary activities before interest		2,724	4,041
Interest payable	4	(2,597)	(2,652)
Profit on ordinary activities before taxation		127	1,389
Taxation	5	(27)	(337)
Profit on ordinary activities after taxation		100	1,052
Retained profit brought forward		1,222	170
Retained profit carried forward		1,322	1,222

There were no recognised gains or losses in 1997 or 1996 other than those included in the profit and loss account.

The notes on pages 5 to 7 form part of these accounts

BALANCE SHEET AS AT

31 DECEMBER 1997

	Note	1997 £	1996 £
Fixed assets			
Investment property	6	50,000	50,000
Current assets			
Debtors	7	22,449	6,933
Stock of goods for resale		133,541	-
		<u>155,990</u>	<u>6,933</u>
Creditors: Amounts falling due within one year	8	<u>204,666</u>	<u>55,709</u>
Net current (liabilities) assets		(48,676)	(48,776)
Total assets less current liabilities		<u>1,324</u>	<u>1,224</u>
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account		1,322	1,222
Shareholders' funds - all equity		<u>1,324</u>	<u>1,224</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(2) of the Companies Act 1985. Shareholders holding 10% or more of the nominal value of the company's issued share capital have not issued a notice requiring an audit under section 249B. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company as at 31 December 1997 and of its profit for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts so far as applicable to the company.

The directors have taken advantage, in the preparation of these accounts, of the exemptions available under Part I of Schedule 8 to the Companies Act 1985 on the grounds that the company qualifies as a small company.

These accounts were approved by the board on 3 June 1998 and signed on its behalf



Keith Bell
Director

The notes on pages 5 to 7 form part of these accounts

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1997

1. ACCOUNTING POLICIES

- a. These accounts are prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard Number 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

The accounts have been prepared on a going concern basis despite there being an excess of current liabilities over current assets. The director considers this appropriate as the company has the support of its bankers.

- b. Provision is made at current rates for taxation deferred in respect of material timing differences, except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not crystallise in the foreseeable future.

- c. Turnover represents the invoiced value of sales made during the year excluding VAT.

2. TURNOVER

All of the company's turnover in the year was to customers in the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging:

	1997 £	1996 £
Directors' remuneration	-	-

4. INTEREST PAYABLE

	1997 £	1996 £
On bank overdraft	2,597	2,652

5. TAXATION

	1997 £	1996 £
Corporation tax at 21.5% (1996: 23.75%)	27	337
Deferred taxation	-	-
	27	337

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1997

6. FIXED ASSET INVESTMENTS

	1997	1996
	£	£
At 1 January 1997	50,000	50,000
Additions at cost	-	-
	<hr/>	<hr/>
At 31 December 1997	50,000	50,000
	<hr/>	<hr/>

The investment represents 53% of the issued preference share capital of Imcopex Office Supplies Plc which is incorporated in England & Wales.

7. DEBTORS

	1997	1996
	£	£
Trade debtors	-	6,933
Other debtors	22,449	-
	<hr/>	<hr/>
	22,449	6,933
	<hr/>	<hr/>

8. CREDITORS: amounts falling due within one year

	1997	1996
	£	£
Trade creditors	161,560	2,047
Bank overdraft	42,729	37,151
Corporation tax payable	27	337
Other creditors and accruals	350	16,174
	<hr/>	<hr/>
	204,666	55,709
	<hr/>	<hr/>

Included within other creditors is an amount of £nil (1996: £574) relating to social security and other taxes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1997

9. PROVISIONS FOR LIABILITIES AND CHARGES

- Deferred taxation

No provision is required.

10. CALLED UP SHARE CAPITAL

	1997 £	1996 £
Authorised:		
Ordinary shares of £1 each	1,000	1,000
	-----	-----
Allotted, issued and fully paid up:		
Ordinary shares of £1 each	2	2
	-----	-----

11. MOVEMENT ON SHAREHOLDERS FUNDS

	1997 £	1996 £
Profit for the period	100	1,052
Issue of share capital	-	-
	-----	-----
	100	1,052
Opening shareholders' funds	1,224	172
	-----	-----
Closing shareholders' funds	1,324	1,224
	-----	-----

12. INFORMATION REGARDING DIRECTORS

Share interests:

The table below sets out the names of the persons who were directors of the company at 31 December 1997, together with details of their interest in the ordinary share capital of the company at that date and at 31 December 1996. The interests are beneficial.

	Number of shares	
	At 31.12.97	At 31.12.96
K Bell	1	1
Mrs J M Frazer	1	1