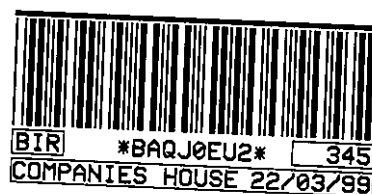


A.T.M.S. DISTRIBUTION LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31ST OCTOBER 1998

BLOOMER HEAVEN
Chartered Accountants
BIRMINGHAM
B3 1AB



AUDITORS' REPORT TO A.T.M.S. DISTRIBUTION LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 3 together with the accounts of A.T.M.S. Distribution Limited for the year ended 31st October 1998 prepared under section 226 of the Companies Act 1985.

Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.


Basis of Opinion

We have carried out procedures we considered necessary to confirm, by reference to the accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the accounts.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 3 are properly prepared in accordance with those provisions.

Bloomer Heaven
Chartered Accountants and Registered Auditors
33 Lionel Street
Birmingham
B3 1AB
7th January 1999



A.T.M.S. DISTRIBUTION LIMITED

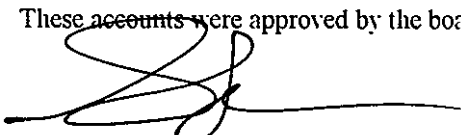
ABBREVIATED BALANCE SHEET

AS AT 31ST OCTOBER 1998

| | Notes | £ | 1998 £ | £ | 1997 £ |
|---|-------|----------------|---------------------|----------------|---------------------|
| Current Assets | | | | | |
| Debtors | | 226,597 | | 270,619 | |
| Cash at bank and in hand | | 4,413 | | 8 | |
| | | <u>231,010</u> | | <u>270,627</u> | |
| Creditors: Amounts Falling Due Within One Year | 2 | <u>230,010</u> | | <u>269,627</u> | |
| Total Assets Less Current Liabilities | | | <u><u>1,000</u></u> | | <u><u>1,000</u></u> |
| Capital and Reserves | | | | | |
| Share capital | 3 | | <u>1,000</u> | | <u>1,000</u> |
| Shareholders' Funds | | | <u><u>1,000</u></u> | | <u><u>1,000</u></u> |

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

These accounts were approved by the board on 7th January 1999 and signed on its behalf.



Mr S.D. Cross
Director

A.T.M.S. DISTRIBUTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31ST OCTOBER 1998

1 Accounting Policies

Basis of Accounting

The Accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Deferred Taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise.

2 Secured Creditors

Total secured creditors amounted to £44,475 (1997: £140,169).

3 Share Capital

Authorised

1,000 Ordinary shares of £1.00 each

Allotted

1,000 Allotted, called up and fully paid ordinary shares of £1.00 each

| 1998 | 1997 |
|------|------|
| £ | £ |

| | |
|-------|-------|
| 1,000 | 1,000 |
|-------|-------|

| | |
|-------|-------|
| 1,000 | 1,000 |
|-------|-------|

4 Ultimate Parent Undertaking

Under the provisions of Financial Reporting Standard 5, Reporting the Substance of Transactions, the company is considered to be a quasi-subsidiary undertaking of A.T.M.S. Limited, a company registered in England and Wales. During the year the company purchased goods to the value of £1,330,705 and received management charges to the value of £40,479 from its quasi-parent undertaking.

5 Contingent Liability

The company has guaranteed the bank overdraft of its quasi-parent undertaking. At the year end this amounted to £77,898.