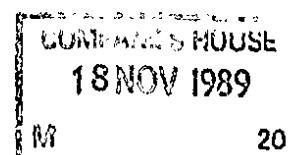


COOLFACTOR LIMITEDMODIFIED ACCOUNTS31st MAY 1989Contents

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Report of the Auditors
To The Directors of Coolfactor Limited

For the purposes of paragraph 10 of Schedule 8 to
the Companies Act 1985

In our opinion the Directors are entitled, under section 247 to 249 of the Companies Act 1985, to deliver modified accounts of the Company in respect of the year ended 31st May 1989 and the modified accounts set out on pages 3 and 4 have been properly prepared in accordance with Schedule 8 to the Companies Act 1985.

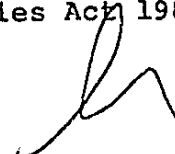
As Auditors we reported to the Members of the Company on 9th October 1989 on the accounts prepared under section 227 of the Companies Act 1985 for the year ended 31st May 1989. Our Audit opinion was as follows :-

" We have audited the financial statements on pages 3 to 10. Our audit was conducted in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31st May 1989, and of its Profit and Source and Application of Funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985. "

3, Rice Parade,
Fairway,
Petts Wood,
Kent, BR5 1EQ.

9th October 1989



Culverhouse & Co.,

Chartered Accountants

Modified Balance Sheet at 31st May 1989

	<u>Notes</u>	<u>1989</u>	<u>1988</u>
<u>Fixed Assets</u>			
Tangible Assets		147,569	85,232
<u>Current Assets</u>			
Stock	1(iii) 200	200	200
Debtors	140,681	172,392	172,392
Cash at Bank	70,619	37,377	37,377
	-----	-----	-----
	211,500	209,969	209,969
<u>Creditors : Amounts</u> falling due within one year	178,981	164,108	164,108
	-----	-----	-----
<u>Net Current Assets</u>		32,519	45,861
		-----	-----
<u>Total Assets less</u> <u>Current Liabilities</u>		180,088	131,093
<u>Creditors : Amounts</u> falling due after more than one year		54,587	42,826
		-----	-----
		£125,501	£ 88,267
		=====	=====
<u>Capital and Reserves</u>			
<u>Called Up Share</u> <u>Capital</u>	2	5,000	2
<u>Reserves</u>			
Profit and Loss Account		120,501	88,265
		-----	-----
<u>Shareholders Funds</u>		£125,501	£ 88,267
		=====	=====

We have relied on Sections 247 to 249 of the Companies Act 1985 entitling us to deliver modified accounts on the ground that the Company is entitled to the benefit of the Sections as a small Company.

.....
A.W. Phillip
.....
J.S. Bryant
.....

Directors

9th October 1989

The Notes on page 4 form part of these modified accounts.

Coolfactor LimitedNotes to the Financial Statements at 31st May 19891) Accounting Policiesi) Accounting Convention

The accounts are prepared under the historical cost convention.

ii) Depreciation

Depreciation is provided on the reducing balance method at the following rates per annum :-

Motor Vehicles	25%
Office Equipment	15%
Telephone Communication Equipment	25%
Plant and Machinery	15%

iii) Stock

Stock has been stated at the lower of cost and net realisable value.

iv) Deferred Taxation

No provision has been made for deferred taxation as in the opinion of the Directors long term timing differences are not expected to reverse in the future.

2) Called Up Share Capital

	<u>1989</u>	<u>1988</u>
<u>Authorised</u>		
£10,000 Shares of £1 each	£10,000	£ 100
	=====	=====
<u>Issued and Fully Paid</u>		
£5,000 Shares of £1 each	£ 5,000	£ 2
	=====	=====

On 22nd May 1989, 4,998 Ordinary Shares of £1 each with an aggregate Nominal value of £4,998 were issued out of the retained profit.

3) Debenture

Barclays Bank PLC have a fixed and floating charge over the assets of the Company.

4) Contingent Liability

The Company has given a guarantee with effect from 12th January 1988 to guarantee the liability of Coolfactor Services Limited to Barclays Bank PLC up to a maximum of £5,000.