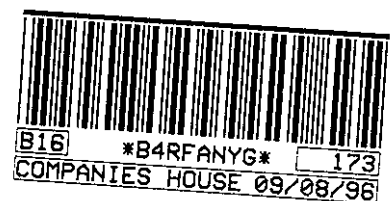


Company number: 1922146

SQUAREZONE LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 1995

JACOB, CAVENAGH AND SKEET

Chartered Accountants
Registered Auditor
14 Reading Road South
Fleet, Hants
GU13 9QL



SQUAREZONE LIMITED

INDEX TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 1995

Page No.

- | | |
|-------|---|
| 1 - 2 | Auditors' report to the Directors |
| 3 | Balance Sheet |
| 4 - 6 | Notes to the Abbreviated Financial Statements |

AUDITORS REPORT TO THE DIRECTORS OF
SQUAREZONE LIMITED
UNDER PARAGRAPH 24 OF SCHEDULE 8 TO THE
COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages 3 to 6 together with the full statutory financial statements of the company for the year ended 30th November 1995.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated financial statements have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm by reference to the full statutory financial statements that the company is entitled to the exemptions and that the abbreviated financial statements have been properly prepared from those accounts. The scope of our work for the purposes of this report does not include examining or dealing with events after the date of our report on the full statutory financial statements.

Opinion

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to the Act, in respect of the year ended 30th November 1995, and the abbreviated financial statements on pages 3 to 6 have been properly prepared in accordance with that Schedule.

Other information

On 21st June 1996 we reported as auditors of Squarezone Limited to the shareholders on the full statutory financial statements for the year ended 30th November 1995, prepared under section 226 of the Companies Act 1985.

Our report under section 235 of the Companies Act 1985 was as follows:

'We have audited the financial statements on pages 5 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

AUDITORS' REPORT TO THE DIRECTORS OF
SQUAREZONE LIMITED
UNDER PARAGRAPH 24 OF SCHEDULE 8 TO THE
COMPANIES ACT 1985 - CONTINUED

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 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 mis-statement, 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30th November 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.'



JACOB, CAVENAGH AND SKEET

Chartered Accountants
Registered Auditor
14 Reading Road South
Fleet, Hants
GU13 9QL

Dated: 21st June 1996

SQUAREZONE LIMITED
BALANCE SHEET
AS AT 30TH NOVEMBER 1995

	<u>Notes</u>	£	<u>1995</u> £	£	<u>1994</u> £
FIXED ASSETS	2				
Tangible assets			423,434		428,282
Investments			178,229		197,392
			<u>601,663</u>		<u>625,674</u>
CURRENT ASSETS					
Stocks		85,748		90,624	
Debtors		280,738		361,648	
Cash at bank and in hand		749,420		528,583	
		<u>1,115,906</u>		<u>980,855</u>	
CREDITORS - amounts falling due within one year	3	(377,570)		(523,130)	
NET CURRENT ASSETS			<u>738,336</u>		<u>457,725</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,339,999</u>		<u>1,083,399</u>
CREDITORS - amounts falling due after more than one year	3		(67,528)		(90,766)
Provisions for liabilities and charges			(6,000)		(6,000)
NET ASSETS			<u>1,266,471</u>		<u>986,633</u>
Financed by:					
CAPITAL AND RESERVES					
Called up share capital	4		3		3
Profit and loss account			1,266,468		986,630
Shareholders' funds			<u>1,266,471</u>		<u>986,633</u>

The directors have taken advantage of exemptions conferred by Part III of Schedule 8 to the Companies Act 1985 and have done so on the grounds that, in their opinion, the company is entitled to those exemptions as a small company.

The accounts were approved by the board of directors on 21st June 1996 and signed on their behalf by:



T.D. Sayers Esq.
Director

SQUAREZONE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 1995

1. ACCOUNTING POLICIES

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with all applicable accounting standards.

1.2 Turnover

This represents the invoiced amounts of goods sold and services provided, net of value added tax.

1.3 Depreciation of tangible assets

Provision is made for depreciation on all tangible assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Freehold buildings:	2%	per annum on cost
Fixtures and fittings:	20%	per annum on reducing balance
Plant and machinery:	33 1/3%	per annum on reducing balance
Computers:	33 1/3%	per annum on reducing balance
Motor vehicles:	25%	per annum on reducing balance

1.4 Stocks

Stock and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

1.5 Pension scheme arrangements

The company operates a defined contribution pension scheme. Pension costs are accounted for as the contributions are made.

1.6 Deferred taxation

Provision is made by the liability method for all timing differences which are expected to reverse in the foreseeable future.

SQUAREZONE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30TH NOVEMBER 1995

2. FIXED ASSETS

	<u>Tangible fixed assets</u>	<u>Investments</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>
<u>Cost:</u>			
At 1st December 1994	666,006	197,392	863,398
Additions	32,637	19,800	52,437
Disposals	(7,991)	(38,963)	(46,954)
	<u> </u>	<u> </u>	<u> </u>
At 30th November 1995	690,652	178,229	868,881
	<u> </u>	<u> </u>	<u> </u>
<u>Depreciation:</u>			
At 1st December 1994	237,724	-	237,724
Charge for year	36,063	-	36,063
Disposals	(6,569)	-	(6,569)
	<u> </u>	<u> </u>	<u> </u>
At 30th November 1995	267,218	-	267,218
	<u> </u>	<u> </u>	<u> </u>
<u>Net book value at</u>			
30th November 1994	428,282	197,392	625,674
	<u> </u>	<u> </u>	<u> </u>
<u>Net book value at</u>			
30th November 1995	423,434	178,229	601,663
	<u> </u>	<u> </u>	<u> </u>

Investments

At 30th November 1995 investments comprise an investment in listed ordinary share capital. The value of the investment represents the cost of the shares at £178,229.

SQUAREZONE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30TH NOVEMBER 1995

3. CREDITORS

	<u>1995</u>	<u>1994</u>
	£	£
Included within creditors are the following:		
Bank loan repayable within 5 years	94,539	116,699

The bank loan which totals £94,539 is repayable in quarterly instalments over the next 3 1/2 years. The interest on the loan is based on a minimum rate payable of 8%. The loan is secured by a first legal charge over the freehold property.

4. SHARE CAPITAL

	<u>Authorised</u>	<u>Allotted, called up and fully paid</u>	
		<u>1995</u>	<u>1994</u>
3 Ordinary shares of £1 each	£100	£3	£3

5. TRANSACTIONS WITH DIRECTORS

Loan to Astrascan Limited

During the year a loan existed with Astrascan Limited. Astrascan Limited is a company associated with T.D. Sayers, a director of Squarezone Limited. The amount of the loan was as follows:

Loan at 1st December 1994	Maximum loan during the year	Loan at 30th November 1995
£	£	£
60,000	60,000	60,000

There is no fixed date for repayment of the loan. Interest has not been charged on the loan this year.

6. ULTIMATE HOLDING COMPANY

Sheenrose Limited incorporated in the United Kingdom is the holding company of Squarezone Limited.