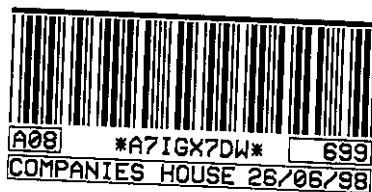


IMPROPERGANDA LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 1997



IMPROPERGANDA LIMITED

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IMPROPERGANDA LIMITED

AUDITORS' REPORT TO IMPROPERGANDA LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 4, together with the financial statements of the company for the year ended 31 August 1997 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 the procedures we considered necessary to confirm, by reference to the financial statements, 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 financial statements.

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 4 are properly prepared in accordance with those provisions.

Other information

On 27 May 1998 we reported, as auditors of Improperganda Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 August 1997, and our audit report included the following paragraph:

"In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the dependence of the company on the continued support of the company's shareholders. The financial statements have been prepared on a going concern basis, the validity of which depends on the continued provision of this support. The financial statements do not include any adjustments that would result from this support being withdrawn. Details of the circumstances relating to this fundamental uncertainty are described in note 1. Our opinion is not qualified in this respect."



Ivan Sopher & Co

Chartered Accountants
Registered Auditor

27 May 1998

5 Elstree Gate
Elstree Way
Borehamwood
Herts WD6 1JD

IMPROPERGANDA LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 AUGUST 1997

	Notes	1997 £	£	1996 £	£
Fixed assets					
Tangible assets	2		15,643		15,353
Current assets					
Debtors		106,087		117,879	
Cash at bank and in hand		358		570	
		<u>106,445</u>		<u>118,449</u>	
Creditors: amounts falling due within one year		<u>(147,891)</u>		<u>(106,842)</u>	
Net current (liabilities)/assets			(41,446)		11,607
Total assets less current liabilities			<u>(25,803)</u>		<u>26,960</u>
Provisions for liabilities and charges			(751)		(807)
			<u>(26,554)</u>		<u>26,153</u>
Capital and reserves					
Called up share capital	3		100		100
Profit and loss account			(26,654)		26,053
Shareholders' funds			<u>(26,554)</u>		<u>26,153</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the board on 27 May 1998



M A Borkowski

Director

IMPROPERGANDA LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 1997

1 Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, the validity of which is dependent on the continued support of the shareholders of the company. In the absence of this support the going concern basis may be invalid and adjustments would have to be made to reduce the value of assets to their recoverable amount, to provide for any further liabilities that may arise and to reclassify fixed assets as current assets.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	25% reducing balance
Fixtures, fittings & equipment	5%-15% reducing balance

1.4 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.5 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

IMPROPERGANDA LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 1997

2 Fixed assets

	Total £
Cost	
At 1 September 1996	
Additions	29,317
	4,097
At 31 August 1997	<u>33,414</u>
Depreciation	
At 1 September 1996	
Charge for the year	13,964
	3,807
At 31 August 1997	<u>17,771</u>
Net book value	
At 31 August 1997	<u>15,643</u>
At 31 August 1996	<u><u>15,353</u></u>

3 Creditors: amounts falling due within one year

Included in creditors falling due within one year are bank overdrafts amounting to £56,900 (1996 - £17,796) which are secured by a fixed and floating charge over the assets of the company.

4 Share capital

	1997 £	1996 £
Authorised		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>