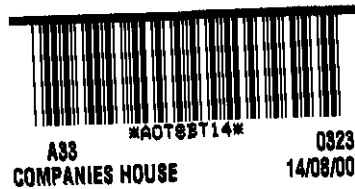

ANGEL INTERIORS (UK) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2000



ANGEL INTERIORS (UK) LIMITED

Company Information

Directors	L C Wright H F Wright
Secretary	L C Wright
Company Number	2355546
Registered Office	96A Farleigh Road London N16 7TQ
Accountants	Deacon's Chartered Accountants 49 Mount Pleasant London WC1X 0AE

ANGEL INTERIORS (UK) LIMITED

Contents

	Page
Directors' Report	1
Accountants' Report	2
Profit and Loss Account	3
Balance Sheet	4
Notes to the Financial Statements	5 - 6
<i>The following pages do not form part of the statutory accounts:</i>	
Trading and profit and loss account and summaries	7 - 8

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2000

The directors present their report and the financial statements for the year ended 31 March 2000.

Principal activities

The company's principal activity continues to be that of the provision of interior design services.

Directors

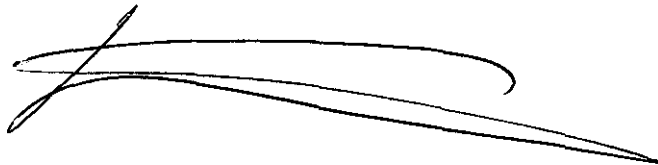
The directors who served during the year and their beneficial interests in the company's issued share capital were:

	<u>Ordinary shares of £1</u> <u>each</u>	
	<u>31/3/00</u>	<u>1/4/99</u>
L C Wright	2	2
H F Wright	-	-

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 31 July 2000 and signed on its behalf.

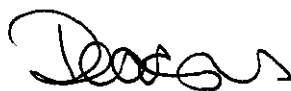
L C Wright
Secretary



**ACCOUNTANTS' REPORT ON THE UNAUDITED FINANCIAL STATEMENTS
TO THE DIRECTORS OF ANGEL INTERIORS (UK) LIMITED**

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31 March 2000 set out on pages 3 to 6, and you consider that the company is exempt from an audit and a report under section 249A(1) of the Companies Act 1985.

In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records of the company and from information and explanations supplied to us.



Deacon's

Chartered Accountants
49 Mount Pleasant
London
WC1X 0AE

Date: 10 August 2000

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2000

	Note	2000 £	1999 £
TURNOVER	1	-	29,617
Cost of sales		<u>314</u>	<u>(24,825)</u>
GROSS PROFIT		314	4,792
Administrative expenses		<u>(2,777)</u>	<u>(62,422)</u>
OPERATING LOSS	2	(2,463)	(57,630)
Interest receivable		<u>2,657</u>	<u>-</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		194	(57,630)
TAX ON PROFIT ON ORDINARY ACTIVITIES	3	<u>(70)</u>	<u>12,276</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		124	(45,354)
DIVIDENDS		<u>(35,184)</u>	<u>-</u>
LOSS FOR THE YEAR		(35,060)	(45,354)
RETAINED PROFIT BROUGHT FORWARD		<u>35,060</u>	<u>80,414</u>
RETAINED PROFIT CARRIED FORWARD		<u>£ -</u>	<u>£ 35,060</u>

The notes on pages 5 to 6 form part of these financial statements.

ANGEL INTERIORS (UK) LIMITED

BALANCE SHEET
As at 31 March 2000

	Note	£	2000 £	£	1999 £
FIXED ASSETS					
Tangible fixed assets	4		2,750		4,125
CURRENT ASSETS					
Debtors	5	298		12,733	
Cash at bank and in hand		14,266		35,789	
		<u>14,564</u>		<u>48,522</u>	
CREDITORS: amounts falling due within one year	6	(17,312)		(17,585)	
NET CURRENT (LIABILITIES)/ASSETS			(2,748)		30,937
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>£ 2</u>		<u>£ 35,062</u>
CAPITAL AND RESERVES					
Called up share capital	7		2		2
Profit and loss account			-		35,060
SHAREHOLDERS' FUNDS			<u>£ 2</u>		<u>£ 35,062</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985 and no notice requiring an audit has been deposited under section 249B(2) of the Act. 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 financial statements which give a true and fair view of the state of affairs of the company as at 31 March 2000 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 the financial statements so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The financial statements were approved by the board on 31 July 2000 and signed on its behalf.



Director

The notes on pages 5 to 6 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2000

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) and include the results of the company's operations which are described in the Directors' Report.

1.2 Cash Flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1.

1.3 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of value added tax and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles - 25% Straight line method

1.5 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

2. OPERATING LOSS

The operating loss is stated after charging:

	2000 £	1999 £
Depreciation of tangible fixed assets		
- owned by the company	1,375	1,375
Directors' emoluments	-	-
	<u> </u>	<u> </u>
No director received any emoluments (1999 - Nil)		

3. TAXATION

	2000 £	1999 £
Current year taxation		
UK corporation tax at 20% (1999 - 21%)	£ 70	£ (12,276)
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2000

4. TANGIBLE FIXED ASSETS

	Plant & Equipment £
Cost	
At 1 April 1999	5,500
At 31 March 2000	<u>5,500</u>
Depreciation	
At 1 April 1999	1,375
Charge for year	1,375
At 31 March 2000	<u>2,750</u>
Net Book Value	
At 31 March 2000	£ <u>2,750</u>
At 31 March 1999	£ <u>4,125</u>

5. DEBTORS

	2000 £	1999 £
Due within one year		
Other debtors	298	12,733
	£ <u>298</u>	£ <u>12,733</u>

6. CREDITORS:
Amounts falling due within one year

	2000 £	1999 £
Trade creditors	-	82
Corporation tax	70	-
Other creditors	17,242	17,503
	£ <u>17,312</u>	£ <u>17,585</u>

7. CALLED UP SHARE CAPITAL

	2000 £	1999 £
Authorised		
1,000 Ordinary shares of £1.00 each	£ <u>1,000</u>	£ <u>1,000</u>
Allotted, called up and fully paid		
2 Ordinary shares of £1.00 each	£ <u>2</u>	£ <u>2</u>