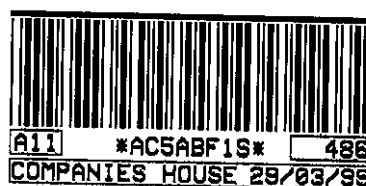


MARKETING MATTERS LIMITED
ABBREVIATED FINANCIAL STATEMENTS
31ST AUGUST 1998

COMPANY REGISTRATION NUMBER 2386192

HARRISON & CO.
Chartered Accountants & Registered Auditors
Fairview House
17 Hinton Road
Bournemouth
BH1 2EE



MARKETING MATTERS LIMITED
ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31ST AUGUST 1998

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MARKETING MATTERS LIMITED**AUDITORS' REPORT TO THE COMPANY****PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 2 to 5, together with the financial statements of the company for the year ended 31st August 1998 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE 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 report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider 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 Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

OTHER INFORMATION

On 16th March 1999 we reported as auditors to the members of the company on the financial statements prepared under Section 226 of the Companies Act 1985 and our report included the following paragraph:

FUNDAMENTAL UNCERTAINTY

In forming our opinion we have considered the adequacy of the disclosures made in the financial statements concerning the recovery of debts of £162,070 included in the balance sheet. Details of the fundamental uncertainty are described in note 11 to the financial statements. Our audit opinion is not qualified in this respect.

Fairview House
17 Hinton Road
Bournemouth
BH1 2EE

16th March 1999

Harrison & Co.

HARRISON & CO.
Chartered Accountants
& Registered Auditors

MARKETING MATTERS LIMITED**ABBREVIATED BALANCE SHEET****31ST AUGUST 1998**

	Note	1998	1997
		£	£
FIXED ASSETS	2		
Tangible assets		266,861	266,778
CURRENT ASSETS			
Stocks		144,682	141,418
Debtors		1,087,959	642,472
Cash at bank and in hand		3,328	1,044
		<u>1,235,969</u>	<u>784,934</u>
CREDITORS: Amounts falling due within one year	3	<u>(1,253,096)</u>	<u>(886,532)</u>
NET CURRENT LIABILITIES		(17,127)	(101,598)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>249,734</u>	<u>165,180</u>
CREDITORS: Amounts falling due after more than one year		(54,309)	(23,782)
PROVISIONS FOR LIABILITIES AND CHARGES		<u>(5,578)</u>	<u>(4,000)</u>
		<u>189,847</u>	<u>137,398</u>
CAPITAL AND RESERVES			
Called-up equity share capital	4	13,246	13,246
Other reserves		6,754	6,754
Profit and loss account		169,847	117,398
SHAREHOLDERS' FUNDS		<u>189,847</u>	<u>137,398</u>

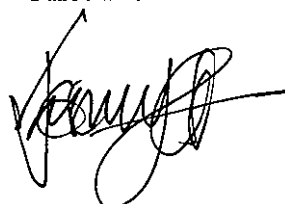
These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 15th March 1999 and are signed on their behalf by:

MR L T EDMONDS



MR J P GEE



MARKETING MATTERS LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31ST AUGUST 1998**

1. ACCOUNTING POLICIES**Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Turnover

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

In the case of long term contracts, turnover reflects the contract activity during the year and represents the proportion of total contract value which costs incurred to date bear to total expected contract costs.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	-	20% per annum
Motor Vehicles	-	25% per annum

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

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

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

MARKETING MATTERS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 1998

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

2. FIXED ASSETS

	Tangible Fixed Assets £
COST	
At 1st September 1997	446,152
Additions	117,180
Disposals	(68,719)
At 31st August 1998	<u>494,613</u>
DEPRECIATION	
At 1st September 1997	179,374
Charge for year	70,577
On disposals	(22,199)
At 31st August 1998	<u>227,752</u>
NET BOOK VALUE	
At 31st August 1998	<u>266,861</u>
At 31st August 1997	<u>266,778</u>

3. CREDITORS: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by a fixed and floating charge on the company's assets:

	1998 £	1997 £
Bank loans and overdrafts	63,854	193,922
Liability for factored debt	367,509	-
	<u>431,363</u>	<u>193,922</u>

MARKETING MATTERS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 1998

4. SHARE CAPITAL

Authorised share capital:

	1998 £	1997 £
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

Allotted, called up and fully paid:

	1998 £	1997 £
Ordinary share capital brought forward	13,246	18,246
Purchase of own equity shares	-	(5,000)
	<u>13,246</u>	<u>13,246</u>