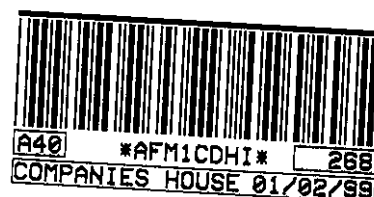


HAILFIRST LIMITED T/A OVER AUDIO
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31st JANUARY 1998

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Hailfirst Limited T/a Over Audio was incorporated
in England on 30th January 1991.

Company Registration Number: 2578201



AUDITORS REPORT TO
HAILFIRST LIMITED T/A OVER AUDIO
SECTION 247B OF THE COMPANIES ACT 1985
Company Registration No:2578201

We have examined the Abbreviated Accounts on pages 3 to 7, together with the full Financial Statements of the Company for the year ended 31st January 1998. The scope of our work for the purposes of this report was limited to confirming that the Company is entitled to the exemptions claimed in the Directors' statement on page 3 and that the Abbreviated Accounts have been properly prepared from the full Financial Statements.

In our opinion, the Company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Part VII of that Act in respect of the year ended 31st January 1998, and the Abbreviated Accounts on pages 3 to 7 have been properly prepared in accordance with that Schedule. We are not required to express an audit opinion on the truth and fairness of these Abbreviated Accounts.

On we reported to the members on the full Financial Statements required by Section 226 of the Companies Act 1985 for the year ended 31st January 1998, and our audit report was as follows:

"We have audited the Financial Statements on pages 3 to 13 which have been prepared under the Historical Cost Convention and the Accounting Policies set out on pages 5 and 6.

DIRECTORS' RESPONSIBILITIES

As described on page 1 the Company's Directors are responsible for the preparation of Financial Statements which present a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period.

AUDITORS' RESPONSIBILITIES

It is our responsibility to form an independent opinion on the Financial Statements presented by the Directors based on our audit and to report our opinion to you.

Continued/.....

AUDITORS REPORT TO
HAILFIRST LIMITED T/A OVER AUDIO
UNDER SECTION 247B OF THE COMPANIES ACT 1985
(continued)

Company Registration No:2578201

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board.

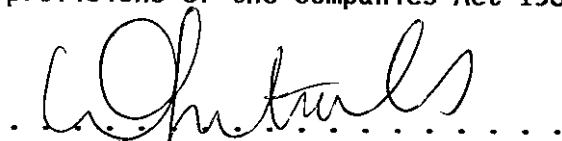
An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Financial Statements, and of whether the Accounting 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. However, the evidence available to us was limited because we did not attend the Company's stocktake.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

QUALIFIED OPINION ARISING FROM LIMITATION IN AUDIT SCOPE

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning stock, in our opinion the Financial Statements have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to Small Companies."


.....
Registered Auditors

DATE: . 26-1-99

WHITNALLS (REGISTERED AUDITORS)
44A LIVERPOOL ROAD
LYDIATE
MERSEYSIDE
L31 2LZ

HAILFIRST LIMITED T/A OVER AUDIOABBREVIATED BALANCE SHEET AS AT 31st JANUARY 1998

	Note	£	1998 £	£	1997 £
<u>FIXED ASSETS</u>					
Tangible Assets	2		24,775		30,802
Investments	3		1,302		530
			<u>26,077</u>		<u>31,332</u>
<u>CURRENT ASSETS</u>					
Stocks			54,783		6,250
Debtors	4		242,429		52,167
Cash at Bank and in Hand			309		14,919
			<u>297,521</u>		<u>73,336</u>
Creditors Amounts falling due within one year	5		(165,765)		(58,098)
Net Current Assets			<u>131,756</u>		<u>15,238</u>
Total Assets Less Current Liabilities			157,833		46,570
Creditors: Amounts falling due after more than one year	6		(4,718)		(7,750)
<u>Provisions For Liabilities And Charges:</u>					
Deferred Taxation			(721)		(45)
Net Assets			<u>152,394</u>		<u>38,775</u>
			=====		=====
			1998 £		1997 £
<u>CAPITAL AND RESERVES</u>					
Share Capital	7		100		100
Profit and Loss Account			152,294		38,675
			<u>152,394</u>		<u>38,775</u>
			=====		=====

The Abbreviated 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.

Date approved by the Board: ... 26.1.99

Director

Director ... P. Ennis

The notes on pages 4 to 7 form part of these Financial Statements.

HAILFIRST LIMITED T/A OVER AUDIONOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31st JANUARY 19981. ACCOUNTING POLICIES.

The Financial Statements have been prepared in accordance with the Historical Cost Convention and in accordance with the Financial Reporting Standard for Smaller Entities.

The principal Accounting Policies which the Directors have adopted within that convention are set out below.

TURNOVER.

The Turnover shown in the Profit and Loss Account represents sales invoiced by the Company during the year, net of Value Added Tax.

DEPRECIATION.

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Fixtures & Fittings	15% per annum on written down values
Motor Vehicles	25% per annum on written down values

STOCK.

Stock has been valued by the Directors at the lower of cost or net realisable value. The basis of this stock valuation has not changed from the previous year.

WORK IN PROGRESS.

Work in progress has been valued by the Directors at the lower of cost or net realisable value. The basis of this work in progress valuation has not changed from the previous year.

DEBTORS.

Debtors are shown after making provision for all debts which the Directors feel are likely to prove irrecoverable.

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 Profit and Loss Account.

DEFERRED TAXATION.

Provision has been made for Deferred Taxation, which has been calculated at the rate of Corporation Tax applying at the date of the Balance Sheet, as a result of accelerated Capital Allowances being the difference between the Balance Sheet Written Down Value and the Written Down Value for taxation purposes.

HAILFIRST LIMITED T/A OVER AUDIONOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31st JANUARY 1998
(Continued)FIXED ASSET INVESTMENTS.

Investments are included at their Open Market Value.

2. FIXED TANGIBLE ASSETS.

<u>COST OR VALUATION:</u>	<u>TOTAL</u> £
Balance brought forward at 1st February 1997	48,672
Additions at cost	840
Balance carried forward at 31st January 1998	<u>49,512</u> =====
 <u>DEPRECIATION:</u>	 £
Balance brought forward at 1st February 1997	17,871
Depreciation charge for the period	6,866
Balance carried forward at 31st January 1998	<u>24,737</u> =====
 <u>NET BOOK VALUE:</u>	 £
Net book value at 31st January 1998	<u>24,775</u> =====
 Net book value at 1st February 1997	 <u>30,801</u> =====

3. INVESTMENTS.

<u>COST</u>	<u>TOTAL</u> £
At 1st February 1997	530
Additions	772
At 31st January 1998	<u>1,302</u> =====
<u>Net Book Value</u>	
At 31st January 1998	<u>1,302</u> =====
At 1st February 1997	<u>530</u> =====

4. DEBTORS.

All amounts shown as Debtors are recoverable within one year.

HAILFIRST LIMITED T/A OVER AUDIONOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31st JANUARY 1998
(Continued)5. CREDITORS: Amounts falling due within one year.

	<u>1998</u> £	<u>1997</u> £
Bank Loans and Overdrafts	11,967 =====	3,910 =====

6. CREDITORS: Amounts falling due after more than one year.

The Balance Sheet amount includes the following amount due after more than one year.

	<u>1998</u> £	<u>1997</u> £
Obligations under Hire Purchase	4,718 =====	7,750 =====

The maturity of obligations under Hire Purchase & Finance Leases is as follows:

	<u>1998</u> £	<u>1997</u> £
Amounts payable within 1 year	3,948	4,283
Amounts payable between 2 to 5 years	6,251	10,199
	10,199	14,482
<u>Less</u> : Finance charges relating to future periods	(2,501)	(3,474)
	7,697 =====	11,007 =====

7. SHARE CAPITAL.

	<u>1998</u> £	<u>1997</u> £
<u>AUTHORISED SHARE CAPITAL:</u>		
100 Ordinary Shares of £1 each	100 =====	100 =====
 <u>ALLOTTED, CALLED UP AND FULLY PAID:</u>		
100 Ordinary Shares of £1 each	100 =====	100 =====

HAILFIRST LIMITED T/A OVER AUDIONOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31st JANUARY 1998
(Continued)8. RELATED PARTY TRANSACTIONS.Loans to Directors.

During the year the Directors were granted a short-term loan.
Indebtedness on the loan was as follows:

	<u>Liability at</u> <u>1st Feb 1997</u>	<u>Maximum Liability</u> <u>during the year</u>	<u>Liability at</u> <u>31st Jan 1998</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Directors	Nil	13,405	13,405
	=====	=====	=====

The loan will be repayable by 31st January 1998.
no interest was due and unpaid.