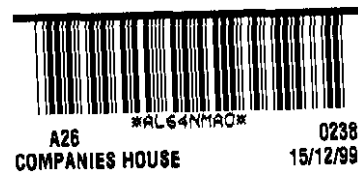


REGISTERED NUMBER: 3193684

**ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1999
FOR
INTEROTEX LIMITED**



INTEROTEX LIMITED

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FOR THE YEAR ENDED 31 MARCH 1999**

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INTEROTEX LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 1999**

DIRECTORS:	Mr J M L Bergada Dr H J F Stroud Mr R J Hale Dr R J Harris Mr F Valle-Saval Mr R J Green Mr M I Zabala
SECRETARY:	Mr M C N Greensmith
REGISTERED OFFICE:	Unit 1, Cheltenham Trade Park Enterprise Way Cheltenham GL51 8LZ
REGISTERED NUMBER:	3193684
BANKERS:	Barclays Bank Plc 128 High Street Cheltenham GL50 1EL
SOLICITORS:	Pinsent Curtis 3 Colmore Circus Birmingham B4 6BH

INTEROTEX LIMITED

**ABBREVIATED BALANCE SHEET
31 MARCH 1999**

		<u>1999</u>		<u>1998</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	2		69,689		60,294
CURRENT ASSETS:					
Stocks		14,511		19,680	
Debtors		34,388		32,408	
Cash at bank and in hand		<u>280,822</u>		<u>363,666</u>	
		329,721		415,754	
CREDITORS: Amounts falling due within one year		<u>133,740</u>		<u>118,005</u>	
NET CURRENT ASSETS:			<u>195,981</u>		<u>297,749</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£265,670</u>		<u>£358,043</u>
CAPITAL AND RESERVES:					
Called up share capital	3		917,315		614,286
Share premium			1,788,867		1,091,896
Profit and loss account			<u>(2,440,512)</u>		<u>(1,348,139)</u>
Shareholders' funds			<u>£265,670</u>		<u>£358,043</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ending 31 March 1999.

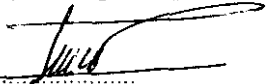
No notice has been deposited under Section 249B(2) of the Companies Act 1985 in relation to its financial statements for the financial year.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

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

ON BEHALF OF THE BOARD:


Mr J M L Bergada - DIRECTOR

Approved by the Board on 1st December 1999

The notes form part of these financial statements

INTEROTEX LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

1. ACCOUNTING POLICIES

Going concern

The financial statements have been prepared on the going concern basis; however the directors have received no guarantee of future funding after 10th July 1999.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc	- 20% on cost and
	- 33% on cost

Stocks

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

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Government grants

Government grants are written off against the relevant costs incurred, in the year in which they are received.

Leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

INTEROTEX LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

2. TANGIBLE FIXED ASSETS

	<u>Total</u>
	£
COST:	
At 1 April 1998	88,352
Additions	37,457
Disposals	<u>(2,750)</u>
At 31 March 1999	<u>123,059</u>
DEPRECIATION:	
At 1 April 1998	28,058
Charge for year	26,662
Eliminated on disposals	<u>(1,350)</u>
At 31 March 1999	<u>53,370</u>
NET BOOK VALUE:	
At 31 March 1999	<u>69,689</u>
At 31 March 1998	<u>60,294</u>

3. CALLED UP SHARE CAPITAL

Authorised:			1999	1998
Number:	Class:	Nominal value:	£	£
1,000,000	'A' Ordinary	£1.00	1,000,000	1,000,000
214,286	'B' Ordinary	£1.00	<u>214,286</u>	<u>214,286</u>
			<u>1,214,286</u>	<u>1,214,286</u>
Allotted, issued and fully paid:			1999	1998
Number:	Class:	Nominal value:	£	£
703,029	'A' Ordinary	£1.00	703,029	400,000
214,286	'B' Ordinary	£1.00	<u>214,286</u>	<u>214,286</u>
			<u>917,315</u>	<u>614,286</u>

The following nil paid shares were allotted during the year at a premium as shown below:

151,513 'A' Ordinary shares of £1.00 each at 230p per share

'A' Ordinary shares carry full voting rights of £1 each in the capital of the company. 'B' Ordinary shares do not carry voting rights in the capital of the company. The 'A' Ordinary shares have a right to 70% of the profits available for distribution in any year and the 'B' Ordinary shares the right to the remaining 30%. During the year 303,029 'A' Ordinary shares in the company became fully paid up following cash calls in accordance with the shareholder agreement, amounting to a nominal value of £303,029 and associated share premium of £696,971. On 11 January 1999 the Board of Directors resolved that a further 151,513 'A' Ordinary Shares be allotted via a rights issue to the existing members of the company in order to provide further finance to fund the company's continuing development. The total cash consideration for these shares will amount to £499,993 payable in two equal instalments on 10 April 1999 and on 10 July 1999.

4. **POST BALANCE SHEET EVENTS**

On the 10th April 1999 and 10th July 1999 the cash consideration aggregating to £499,993 referred to in note 3 above was *paid up in two equal instalments.*