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REPORT OF THE AUDITORS TO THE DIRECTORS OF
E. ROSENFELDER LIMITED
UNDER SCHEDULE 8 PARAGRAPH 10 OF THE COMPANIES ACT 1985

We have examined the modified accounts set out on pages 2 and 3 which have been properly prepared in accordance with Sections 247 to 249 and Schedule 8 of The Companies Act 1985. In our opinion, the Company satisfies the requirements of Schedule 8 Paragraph 10 of The Companies Act 1985 for exemption as a small company for the year ended 31st January 1986. As auditors of E. Rosenfelder Limited, on 17th April 1986 we reported to the members on the accounts of the Company prepared under Sections 227 and 228 of The Companies Act 1985 for the year ended 31st January 1986 as follows:

"We have audited the financial statements on pages 3 to 8 in accordance with approved auditing standards having regard to the matters referred to in the following paragraph.

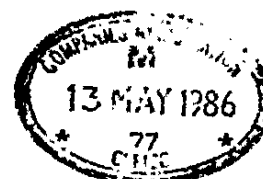
In common with many businesses of similar size and organisation, the Company's system of control is dependent upon the close involvement of the directors, who are major shareholders. Where independent confirmation of the completeness of the accounting records was therefore not available, we have accepted assurances from the directors that all the Company's transactions have been reflected in the records.

Subject to the foregoing, in our opinion the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of the Company's affairs at 31st January 1986 and of its profit and source and application of funds for the year then ended and comply with The Companies Act 1985."

King & King,
Roxburghe House,
273/287 Regent Street,
London, W.1.

King and King

23rd April 1986

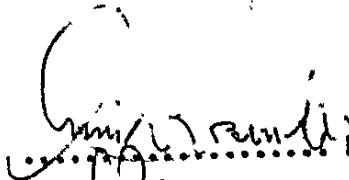


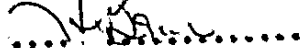
E. ROSENFELDER LIMITED

MODIFIED BALANCE SHEET AS AT 31ST JANUARY 1986

	<u>1986</u>	<u>1985</u>
<u>Fixed Assets</u>		
Investment	720	400
Tangible Assets	<u>42,315</u>	<u>41,110</u>
	43,035	41,510
<u>Current Assets</u>		
Stock	387,341	-
Debtors	333,051	327,473
Cash at Bank and in Hand	<u>303,872</u>	<u>133,657</u>
	1,024,264	461,130
<u>Creditors:</u>		
Amounts falling due within one year	<u>983,534</u>	<u>456,973</u>
<u>Net Current Assets</u>	<u>40,730</u>	<u>4,157</u>
<u>Total Assets Less Current Liabilities</u>	<u>£83,765</u>	<u>£45,667</u>
<u>Capital and Reserves</u>		
Called Up Share Capital - Note 2	3,000	3,000
Profit and Loss Account	<u>80,765</u>	<u>42,667</u>
	<u>£83,765</u>	<u>£45,667</u>

In preparing these modified accounts we have relied upon the exemptions for individual accounts provided by Sections 247 to 249 and Schedule 8 of The Companies Act 1985 and we have done so on the ground that the Company is entitled to the benefit of those exemptions as a small company.

 Director

 Director

Approved by the Board

The Notes on Page 3 form part of these Accounts

E. ROSENFELDER LIMITED

NOTES TO THE MODIFIED ACCOUNTS AT 31ST JANUARY 1986

1. Accounting Policies

Accounting Convention

The accounts are prepared under the historical cost convention, modified to include the revaluation of freehold land and buildings.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Computer Installation, Office Machines	- over 5 to 10 years
Fixtures and Fittings	
Motor Vehicles	- over 5 years

Deferred Taxation

Deferred Taxation is not provided on short term timing differences unless these are considered significant.

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

2. Called Up Share Capital

	<u>1986</u>	<u>1985</u>
<u>Authorised, Allotted, Issued & Fully Paid</u>		
Ordinary Shares of £1	-	3,000
'A' Ordinary Shares of 50p	1,500	-
'B' Ordinary Shares of 50p	750	-
Preference Shares of 50p	750	-

The 'A' Ordinary Shares and 'B' Ordinary Shares rank pari passu and have the same rights attaching to them as the Ordinary Shares previously in existence with the exception that the 'A' Ordinary Shares shall be entitled to one vote at annual general meetings and the 'B' Ordinary Shares to two votes. The Preference Shares are entitled to a preferential dividend but not to any vote in annual general meeting.