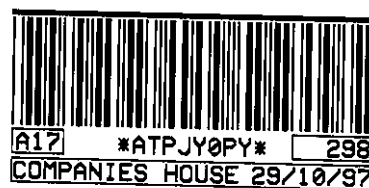


Registration No: 2045353

COOKING VINYL LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 1996



NEWMAN & COMPANY
Chartered Accountants

COOKING VINYL LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 1996

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COOKING VINYL LIMITED

COMPANY INFORMATION

DIRECTOR:

M GOLDSCHMIDT

SECRETARY:

R G K HODGSON

REGISTERED OFFICE:

TWYMAN HOUSE
31-39 CAMDEN ROAD
LONDON NW1 9LF

AUDITORS:

NEWMAN & COMPANY
CHARTERED ACCOUNTANTS
TWYMAN HOUSE
31-39 CAMDEN ROAD
LONDON NW1 9LF

COOKING VINYL LIMITED
REPORT OF THE DIRECTOR

The director presents his report and the financial statements for the year ended 31 December 1996.

PRINCIPAL ACTIVITIES

The principal activities of the company are record production and distribution.

REVIEW OF THE BUSINESS

The director is pleased with the company's results for the year.

RESULTS AND DIVIDEND

The results for the year are set out in the profit and loss account. The director does not recommend the payment of a dividend.

FIXED ASSETS

Details of changes in the fixed assets are shown in the attached financial statements.

DIRECTOR

The director who served during the year and his interests in the ordinary shares of the company both at the beginning and end of the year was as follows:

	1996	1995
M GOLDSCHMIDT	100	98

AUDITORS

A resolution will be submitted at the annual general meeting proposing that Newman & Company be reappointed auditors and that their audit fee for the ensuing year be agreed with the director.


BY ORDER OF THE BOARD

M GOLDSCHMIDT

CHAIRMAN

21 October 1997

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF

COOKING VINYL LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention of the accounting policies set out in note 2.

Respective Responsibilities of Directors and Auditors

As described in note 1 the company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

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 director 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 misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the company as at 31 December 1996, and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



NEWMAN & COMPANY

**CHARTERED ACCOUNTANTS AND
REGISTERED AUDITORS**

Twyman House
31-39 Camden Road
London NW1 9LF

21 October 1997

COOKING VINYL LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1996

	Note	1996 £	1995 £
TURNOVER - CONTINUING OPERATIONS	2d	1,209,465	763,733
COST OF SALES		829,757	447,579
GROSS PROFIT		<u>379,708</u>	<u>316,154</u>
OPERATING EXPENSES		376,218	302,108
OPERATING PROFIT	3	<u>3,490</u>	<u>14,046</u>
INTEREST PAYABLE & SIMILAR CHARGES	4	40	4,347
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>3,450</u>	<u>9,699</u>
TAXATION	5	458	624
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>2,992</u>	<u>9,075</u>
RETAINED PROFIT BROUGHT FORWARD		10,665	1,590
RETAINED PROFIT CARRIED FORWARD		<u>13,657</u>	<u>10,665</u>

COOKING VINYL LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 1996

	Note	1996 £	1995 £
FIXED ASSETS			
Tangible assets	6	15,244	13,502
CURRENT ASSETS			
Stock	7	94,986	83,336
Debtors	8	282,598	180,287
Cash at bank		494	-
		<u>378,078</u>	<u>263,623</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	379,565	266,360
NET CURRENT LIABILITIES		<u>1,487</u>	<u>2,737</u>
		<u>13,757</u>	<u>10,765</u>
CAPITAL AND RESERVES			
Called up share capital	10	100	100
Profit and loss account		13,657	10,665
SHAREHOLDERS FUNDS		<u>13,757</u>	<u>10,765</u>



M GOLDSCHMIDT) DIRECTOR

Approved by the board on
21 October 1997

COOKING VINYL LIMITED

OTHER STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	1996	1995
	£	£
Profit for the financial year	2,992	9,075
Total recognised gains for the year	<u>2,992</u>	<u>9,075</u>

NOTE OF HISTORICAL COST PROFIT AND LOSSES

There is no material difference between the reported profit for 1996 and 1995 and the profit for those years restated on an historical cost basis.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

Profit for the financial year	2,992	9,075
Opening shareholders funds	10,765	1,690
Closing shareholders funds	<u>13,757</u>	<u>10,765</u>

COOKING VINYL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

1. STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements the director is required to:

- (i) select suitable accounting policies and then apply them consistently;
- (ii) make judgements and estimates that are reasonable and prudent;
- (iii) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable the director to ensure that the financial statements comply with the Companies Act 1985. The director is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

2. ACCOUNTING POLICIES

(a) Convention

The financial statements are prepared in accordance with the historical cost convention and in accordance with applicable accounting standards.

As the company falls within the definition of a 'small company', it is not required to provide a cash flow statement.

(b) Depreciation

Depreciation is provided on the reducing balance method in order to write off the assets over their estimated useful lives at the following rates:

Furniture, fixtures & equipment	-	25% reducing balance
---------------------------------	---	----------------------

(c) Stocks

Stocks are stated at the lower of cost and net realisable value.

(d) Turnover

Turnover represents invoiced sales excluding value added tax.

3. OPERATING PROFIT

	1996	1995
	£	£
After charging:		
Depreciation	5,081	5,107
Auditors remuneration	5,000	5,400
Director's remuneration	37,931	26,450
	<hr/>	<hr/>

COOKING VINYL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

4. INTEREST PAYABLE & SIMILAR CHARGES	1996 £	1995 £
Interest on bank loans & overdrafts wholly repayable within five years	40	2,100
Other interest	-	2,247
	<u>40</u>	<u>4,347</u>
5. TAXATION		
Corporation tax payable	1,389	2,936
Overprovision in previous year	(931)	(2,312)
	<u>458</u>	<u>624</u>
6. TANGIBLE ASSETS	Furniture, Fixtures and Equipment £	
COST		
At 1 January 1996	34,280	
Additions	6,823	
	<u>41,103</u>	
AT 31 December 1996		
DEPRECIATION		
At 1 January 1996	20,778	
Charge for the year	5,081	
	<u>25,859</u>	
AT 31 December 1996		
NET BOOK VALUE		
AT 31 December 1996	15,244	
	<u>13,502</u>	
AT 31 December 1995		
7. STOCK	1996 £	1995 £
Finished goods & goods for resale	94,986	83,336

COOKING VINYL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

8. DEBTORS	1996 £	1995 £
Trade debtors	162,767	100,584
Other debtors	20,374	5,001
Prepayments	99,457	74,702
	<hr/> 282,598 <hr/>	<hr/> 180,287 <hr/>
 9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank overdrafts	4,492	14,451
Trade creditors	239,924	142,337
Corporation tax	1,389	8,379
Other taxation & social security	15,371	8,898
Other creditors	43,913	73,745
Accruals	74,476	18,550
	<hr/> 379,565 <hr/>	<hr/> 266,360 <hr/>

The bank overdraft was secured by a mortgage debenture over the company's fixed and floating assets.

10. CALLED UP SHARE CAPITAL

Authorised, Issued and Fully Paid: 100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>

11. OPERATING LEASE COMMITMENTS

The annual commitment under operating leases is:

Property:

Expiry of lease

Within 1 year

Within 2-5 years

-	4,100
-	4,100
<hr/> - <hr/>	<hr/> 8,200 <hr/>

COOKING VINYL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

12. EMPLOYEE INFORMATION

The average number of persons employed by the company including director during the year was 6 (1995 - 5).

	1996	1995
	£	£
Their total remuneration was:		
Wages & salaries	100,719	79,626
Social security costs	9,487	6,858
	<hr/>	<hr/>
	110,206	86,484
	<hr/>	<hr/>