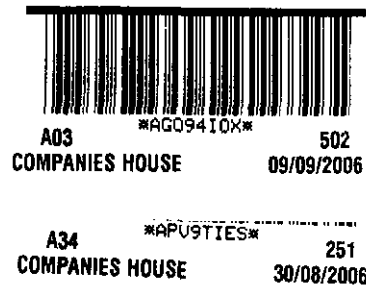


REGISTERED NUMBER: 2754852 (England and Wales)

Audited Abbreviated Accounts
for the Year Ended 31 December 2005
for
Mori Lee (UK) Limited



Mori Lee (UK) Limited

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for the Year Ended 31 December 2005

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Mori Lee (UK) Limited

Company Information
for the Year Ended 31 December 2005

DIRECTORS:

M Leibowitz
A Udell
M Udell
C C Body

SECRETARY:

Mrs N Fry

REGISTERED OFFICE:

8-9 Hollis Road
Grantham
Lincolnshire
NG31 7QH

REGISTERED NUMBER:

2754852 (England and Wales)

AUDITORS:

D. K. Rumsby & Co Limited
11 Churchill Park
Colwick
Nottinghamshire
NG4 2HF

Mori Lee (UK) Limited

Report of the Independent Auditors to
Mori Lee (UK) Limited
Under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages three to five, together with the financial statements of Mori Lee (UK) Limited for the year ended 31 December 2005 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and 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 abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin 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.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.



D. K. Rumsby & Co Limited
11 Churchill Park
Colwick
Nottinghamshire
NG4 2HF

31 July 2006

Mori Lee (UK) Limited

Abbreviated Balance Sheet
31 December 2005

	Notes	31.12.05 £	31.12.04 £
FIXED ASSETS			
Tangible assets	2	44,998	5,740
CURRENT ASSETS			
Stocks		68,887	128,668
Debtors		692,902	689,577
Cash at bank and in hand		139,108	105,936
		<u>900,897</u>	<u>924,181</u>
CREDITORS			
Amounts falling due within one year		(221,081)	(439,894)
NET CURRENT ASSETS		<u>679,816</u>	<u>484,287</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>724,814</u>	<u>490,027</u>
CREDITORS			
Amounts falling due after more than one year		(22,686)	-
NET ASSETS		<u><u>702,128</u></u>	<u><u>490,027</u></u>
CAPITAL AND RESERVES			
Called up share capital	3	1,000	1,000
Profit and loss account		701,128	489,027
SHAREHOLDERS' FUNDS		<u><u>702,128</u></u>	<u><u>490,027</u></u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

ON BEHALF OF THE BOARD:


Director

Approved by the Board on 26 July 2006

Notes to the Abbreviated Accounts

1. **ACCOUNTING POLICIES**

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

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 or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 25% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 25% on cost

Stocks

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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 transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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

Mori Lee (UK) Limited

Notes to the Abbreviated Accounts

2. **TANGIBLE FIXED ASSETS**

	Total £
COST	
At 1 January 2005	26,090
Additions	47,559
Disposals	(12,500)
	<hr/>
At 31 December 2005	61,149
	<hr/>
DEPRECIATION	
At 1 January 2005	20,350
Charge for year	7,761
Eliminated on disposal	(11,960)
	<hr/>
At 31 December 2005	16,151
	<hr/>
NET BOOK VALUE	
At 31 December 2005	44,998
	<hr/>
At 31 December 2004	5,740
	<hr/>

3. **CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.05	31.12.04
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

4. **ULTIMATE PARENT COMPANY**

The company is a wholly owned joint venture undertaking between Rexstar Management Limited, a company registered in England and Wales, and Mori Lee LLC, a company registered in the USA.