FRIZDOM LIMITED ABBREVIATED FINANCIAL STATEMENTS 31ST DECEMBER, 2005

REPORT OF THE INDEPENDENT AUDITORS TO THE DIRECTORS OF FRIZDOM LIMITED PURSUANT TO SECTION 247B COMPANIES ACT 1985

We have examined the abbreviated financial statements set out on pages 2 and 3 together with the full financial statements for the year ended 31st December, 2005, prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of Directors and Auditors

The directors are responsible for preparing the abbreviated financial statements 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 financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated financial statements have been properly prepared from those financial statements. The scope of our work for the purposes of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 2 to 3 have been properly prepared in accordance with those provisions.

P.M. RANDALL & CO.

LONDON

CHARTERED ACCOUNTANTS
REGISTERED AUDITOR

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FRIZDOM LIMITED

ABBREVIATED BALANCE SHEET

31ST DECEMBER, 2005

Note		2005				2004	
		£		£	£	£	
TANGIBLE FIXED ASSET	2		8	86,931		-	
CURRENT ASSETS Stock Debtors Bank and cash balances		35,642 57,039 321,179 413,860			42,251 87,983 <u>463,340</u> 593,574		
		413,000			393,374		
CREDITORS Amounts falling due within one year		(297,901)			(354,536)		
NET CURRENT ASSETS			1	15, <u>959</u>		239,038	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>20</u>	02,890		<u>239,038</u>	
CAPITAL AND RESERVES	;						
Called up share capital Profit and loss account	3			10,000 <u>92,890</u>		10,000 <u>229,038</u>	
			<u>2</u> (02,890		<u>239,038</u>	

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

These financial statements were approved by the Board on 19th May 2006.

Signed on behalf of the board of directors

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F. Castellini DIRECTOR

FRIZDOM LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

31ST DECEMBER, 2005

ACCOUNTING POLICIES

The Financial Statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities. A summary of the more important accounting policies, is set out below.

a) Accounting Convention

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

b) Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis, over their expected useful lives of the assets concerned. The principal annual rates for used for this purpose are:-

Leasehold property

over the period of the lease

c) Foreign Currency Translation

Issued share capital is translated into Sterling at the rate of exchange ruling on the date of issue.

All other assets and liabilities denominated in foreign currencies are translated into Sterling at the rate of exchange ruling on the balance sheet date.

Income received and expenditure incurred in foreign currencies is translated into Sterling at the rate of exchange ruling on the date the transaction took place.

d) Group

The company is part of a group and forms a subsidiary of a group based in Italy.

e) Turnover

Turnover, which excludes Value Added Tax and trade discounts, represents the invoiced value of goods and services provided.

f)Stock

Stock is stated at cost.

2. TANGIBLE FIXED ASSET

Net book value

Net book value	2005 £	2004 £
Leasehold property	<u>86,931</u>	Ξ
COST Transfer from associated company		<u>89,862</u>
At 31 st December, 2005		<u>89,862</u>
AMORTISATION Accumulated Charge for the year		2,931
At 31 st December, 2005		<u>2,931</u>

FRIZDOM LIMITED

SHARE CAPITAL 3.

Authorised 2005 & 2004 Issued and fully paid 2005 & 2004 £

£

Ordinary shares of £1.00 each

<u>10,000</u>

10,000