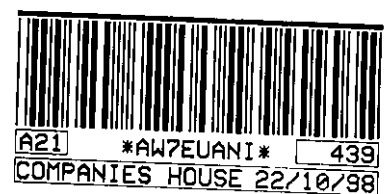


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HARD TARGET LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 1997



HARD TARGET LIMITED

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HARD TARGET LIMITED

DIRECTOR

K Osei-Bonsu

SECRETARY

J Eden-Peters

REGISTERED OFFICE

133 Osborne Road
NEWCASTLE UPON TYNE
NE2 2TL

REGISTERED NUMBER

03250385
England and Wales

ACCOUNTANTS

Clements & Co.
Chartered Accountants
133 Osborne Road
NEWCASTLE UPON TYNE
NE2 2TL

HARD TARGET LIMITED

DIRECTORS' REPORT

The Directors present their report and the financial statements for the period ended 30 September 1997.

PRINCIPAL ACTIVITY

The Company was incorporated on 16 September 1996.

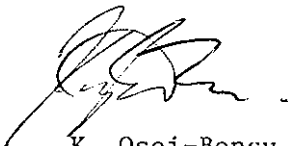
The Company's principal activity is that of the manufacture of protective clothing.

DIRECTORS

The Directors who served during the year and their beneficial interests in the issued Ordinary Share Capital of the Company were:

	<u>1997</u>
K. Osei-Bonsu	2

This report, which has been taking advantage of special exemptions applicable to small companies provided by Part II of Schedule 8 to the Companies Act 1985 and was approved by the Board on 19 October 1998 and signed on their behalf.



K. Osei-Bonsu
DIRECTOR

HARD TARGET LIMITED
REPORT OF THE ACCOUNTANTS TO THE SHAREHOLDERS
ON THE UNAUDITED FINANCIAL STATEMENTS OF
HARD TARGET LIMITED

We report on the financial statements for the period ended 30 September 1997 set out on pages 4 to 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

As described on page 5 the Company's directors are responsible for the preparation of the financial statements, and they consider that the Company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

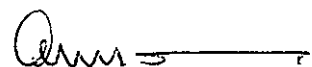
BASIS OF OPINION

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the Company, and making such limited enquiries of the officers of the Company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

OPINION

In our opinion:

- (a) the financial statements are in agreement with the accounting records kept by the Company under Section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained those accounts records:
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
 - (ii) the Company satisfied the conditions for exemption from an audit of the financial statements for the period specified in Section 249A(4) of the Act, and did not, at any time within that period, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).



Clements & Co.
Reporting Accountants

133 Osborne Road
NEWCASTLE UPON TYNE
NE2 2TL

19 OCTOBER 1998

HARD TARGET LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 SEPTEMBER 1997

	<u>Note</u>	<u>1997</u> £
TURNOVER - Continuing Operations	1	18477
Cost of Sales		<u>(6627)</u>
GROSS PROFIT		11850
Distribution Costs		-
Administration Costs		<u>(10501)</u>
OPERATING PROFIT (LOSS) - Continuing Operations	2	1349
Interest Payable		<u>-</u>
PROFIT (LOSS) on Ordinary Activities Before Taxation		1349
TAXATION		<u>(304)</u>
PROFIT (LOSS) on Ordinary Activities After Taxation		1045
DIVIDENDS Paid or Proposed		<u>-</u>
RETAINED PROFIT (LOSS) for the Financial Period		1045
RETAINED PROFIT at 1 September 1996		<u>-</u>
RETAINED PROFIT (LOSS) at 30 September 1997		<u><u>1045</u></u>

TOTAL RECOGNISED GAINS AND LOSSES

The Company has made no recognised gains or losses other than the profit or loss for the above financial period.

CONTINUING OPERATIONS

None of the Company's operations was acquired or discontinued during the above financial period.

HARD TARGET LIMITED
BALANCE SHEET
AS AT 30 SEPTEMBER 1997

	<u>Note</u>	£	£
FIXED ASSETS			
Tangible Assets	3		1401
CURRENT ASSETS			
Stock		1300	
Debtors	4	351	
Cash at Bank and In Hand		378	
		<u>2029</u>	
CREDITORS : Amounts falling due within One Year	5	<u>2383</u>	
NET CURRENT ASSETS (LIABILITIES)			<u>(354)</u>
NET ASSETS			<u>1047</u>
CAPITAL AND RESERVES			
Called Up Share Capital	6		2
Profit and Loss Account			<u>1045</u>
SHAREHOLDERS' FUNDS	7		<u>1047</u>

The Company is entitled to exemption from audit under Section 249A(2) of the Companies Act 1985 for the period ending 30 September 1997.


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

The Directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) 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.

The Directors have taken advantage of special exemptions conferred by Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the accounts and have done so on the grounds that, in their opinion, the Company qualifies as a small company.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

.....  K. OSEI-BONSU - DIRECTOR

APPROVED BY THE BOARD : 19 OCTOBER 1998

HARD TARGET LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 1997

1. ACCOUNTING POLICIES

1.1 ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention.

1.2 TURNOVER

Turnover represents amounts receivable for goods and services provided, less Value Added Tax.

1.3 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost or valuation less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Plant & Machinery	-	25% Reducing Balance
Fixtures, Fittings & Office Equipment	-	25% Reducing Balance
Motor Vehicles	-	25% Reducing Balance

1.4 STOCK

Stock is valued at the lower of cost and net realisable value.

1.5 DEFERRED TAXATION

Full provision is made for deferred taxation under the liability method where there is a reasonable probability of the amount becoming payable in the foreseeable future.

No provision for deferred taxation is required in these accounts due to the immateriality of the amounts involved.

1.6 CASH FLOW

The accounts do not include a Cash Flow Statements because the Company, as a small reporting entity, is exempt from the requirements to prepare such a statement under the Financial Reporting Standard Nr 1 'Cash Flow Statements'.

2. OPERATING PROFIT

	<u>1997</u>
Operating Profit is stated after charging:	£
Depreciation of Tangible Fixed Assets	<u>468</u>
Directors Remuneration	
For services as Directors	3120
Other Emoluments	<u>-</u>
	<u>3120</u>

HARD TARGET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. TANGIBLE FIXED ASSETS

	<u>Motor Vehicle</u>	<u>Equipment</u>	<u>Total</u>
	£	£	£
COST OR VALUATION			
Additions	1500	369	1869
Disposals	-	-	-
At 30 September 1997	1500	369	1869
DEPRECIATION			
Charge for period	375	93	468
Disposals	-	-	-
At 30 September 1997	375	93	468
NET BOOK VALUES			
At 30 September 1997	1125	276	1401

4. DEBTORS

	<u>1997</u>
	£
Trade Debtors	351
Other Debtors	-
Prepayments	-
	<u>351</u>

5. CREDITORS : Amounts falling due within One Year

	<u>1997</u>
	£
Bank Loans & Overdrafts (Secured)	-
Trade Creditors	-
Other Creditors	1588
Accruals	795
	<u>2383</u>

HARD TARGET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. SHARE CAPITAL

	<u>1997</u>
	£
Authorised 10000 Ordinary Shares of £1 Each	<u>10000</u>
Allotted, Called Up and Fully Paid 2 Ordinary Shares of £1 Each	<u>2</u>

7. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

	<u>1997</u>
	£
Profit for the Financial Period After Taxation	1045
New Share Capital subscribed	<u>2</u>
	1047
Opening Shareholders' Funds at 16 September 1996	<u>-</u>
Closing Shareholders' Funds at 30 September 1997	<u>1047</u>

8. CAPITAL COMMITMENTS

	<u>1997</u>
	£
Capital Commitments At 30 September 1997 Capital Expenditure commitments were as follows:	
Contracted but not provided for in the Accounts	<u>Nil</u>
Authorised by the Directors but not contracted for	<u>Nil</u>