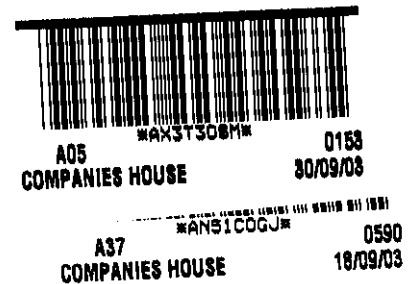


COMPANY REGISTRATION NUMBER 4375696

BENEFoot (UK) LIMITED
FINANCIAL STATEMENTS
FOR
30 JUNE 2003

HAS ACCOUNTANTS

Chartered Accountants
Suite 4
Levi House
Bury Old Road
Salford
M7 4QX



BENEFOOT (UK) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2003

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BENEFOOT (UK) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

I Lachs
S Lachs

Company secretary

I Lachs

Registered office

Branson Court
Branson Street
Manchester
M40 7RP

Accountants

HAS Accountants
Chartered Accountants
Suite 4
Levi House
Bury Old Road
Salford
M7 4QX

Bankers

Barclays Bank Plc
Manchester City Office
PO Box 357
51 Mosley Street
Manchester
M60 2AU

Solicitors

Lopian Wagner Solicitors
9 St John Street
Manchester
M3 4DN

BENEFoot (UK) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2003

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 30 June 2003.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was sale of post operative shoes and casting tape.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Class of share	At 30 June 2003	At 1 July 2002
I Lachs	A Shares	35	—
S Lachs	A Shares	<u>35</u>	<u>—</u>

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
Branson Court
Branson Street
Manchester
M40 7RP

Signed by order of the directors



I LACHS
Company Secretary

Approved by the directors on 11 August 2003

BENEFoot (UK) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 2003

	Note	2003 £
TURNOVER		252,102
Cost of sales		<u>117,813</u>
GROSS PROFIT		134,289
Administrative expenses		<u>111,559</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		22,730
Tax on profit on ordinary activities		<u>2,914</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>19,816</u>

The notes on pages 5 to 6 form part of these financial statements.

BENEFoot (UK) LIMITED

BALANCE SHEET

30 JUNE 2003

	Note	2003 £	£
FIXED ASSETS			
Tangible assets	3		1,254
CURRENT ASSETS			
Stocks		26,214	
Debtors	4	79,492	
Cash at bank		6,593	
		<u>112,299</u>	
CREDITORS: Amounts falling due within one year	5	<u>93,537</u>	
NET CURRENT ASSETS			<u>18,762</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>20,016</u>
CAPITAL AND RESERVES			
Called-up equity share capital	7		200
Profit and loss account			<u>19,816</u>
SHAREHOLDERS' FUNDS			<u>20,016</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These financial statements were approved by the directors on the 11 August 2003 and are signed on their behalf by:



I LACHS

S LACHS



The notes on pages 5 to 6 form part of these financial statements.

BENEFoot (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2003

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The accounts have also been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & fittings	- 15% straight line pa
Office equipment	- 33% straight line pa

Stocks

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

2. OPERATING PROFIT

Operating profit is stated after charging:

	2003
	£
Directors' emoluments	—
Depreciation of owned fixed assets	<u>407</u>

3. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Office Equipment £	Total £
COST			
Additions	<u>780</u>	<u>881</u>	<u>1,661</u>
At 30 June 2003	<u>780</u>	<u>881</u>	<u>1,661</u>
DEPRECIATION			
Charge for the year	<u>117</u>	<u>290</u>	<u>407</u>
At 30 June 2003	<u>117</u>	<u>290</u>	<u>407</u>
NET BOOK VALUE			
At 30 June 2003	<u>663</u>	<u>591</u>	<u>1,254</u>

BENEFoot (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2003

4. DEBTORS

	2003 £
Trade debtors	79,286
Other debtors	206
	<u>79,492</u>

5. CREDITORS: Amounts falling due within one year

	2003 £
Trade creditors	79,545
Corporation tax	2,914
Other taxation and social security	6,909
Other creditors	4,169
	<u>93,537</u>

6. RELATED PARTY TRANSACTIONS

Mr I Lachs and Mr S Lachs, directors of Benefoot (UK) Limited, each hold 35 'A' shares of the company and Mr S Lachs is the managing director. Mr I Lachs and Mr S Lachs are also directors in S B Lachs & Co Limited and they each hold 10% of the issued share capital of that company.

S B Lachs & Co Limited lent Benefoot (UK) Limited funds during the year for initial start up costs of the business. The amount outstanding at the balance sheet date is £76,536. The directors are confident that this balance will be repaid in full.

7. SHARE CAPITAL

Authorised share capital:

	2003 £
140 'A' shares of £1 each	140
60 'B' shares of £1 each	60
	<u>200</u>

Allotted, called up and fully paid:

	No	£
'A' shares of £1 each	140	140
'B' shares of £1 each	60	60
	<u>200</u>	<u>200</u>