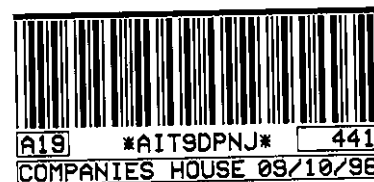


THE CONDENSATION SHOP LIMITED
COMPILATION REPORT
FOR THE PERIOD ENDED 31ST MARCH 1996

T.J.Rider & Co,
Chartered Accountant,
36 Oaken Lane,
Claygate, Esher,
Surrey. KT10 0RG.



Registration number 2875830

**ACCOUNTANT'S REPORT TO THE SHAREHOLDERS OF
THE CONDENSATION SHOP LIMITED.**

I have examined, without carrying out an audit, the accounts for the year ended 31st March 1996 set out on pages 2 to 4.

Respective responsibilities of director and reporting accountant

The Directors are responsible for preparing the abbreviated accounts in accordance with schedule 8 to the Companies Act 1985. As described on page 2 the company directors believe the company to be exempt from an audit. It is my responsibility to examine the accounts and, based on my examination, to report my opinion, as set out below to the shareholders.

Basis of opinion

I conducted my examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practices Board. This examination consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as I considered necessary for the purpose of this report.

The examination was not an audit conducted in accordance with Auditing Standards. Accordingly I do not express an audit opinion on the accounts. Therefore my examination does not provide any assurance that the accounting records and the accounts are free from material misstatement.

Opinion

In my opinion:

- a) the accounts are in agreement with those 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 in those accounting records, the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act;
- c) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(2) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1) a to f.

We confirm that in our opinion the company satisfy the criteria required by the Companies Act 1985 and is entitled to the exemption for individual financial statements in respect of the period in question, on the ground claimed by the director in the statement included on page 2 of the accounts, and that the financial statements attached have been properly prepared in accordance with the Act.

T.J.Rider & Co,
Chartered Accountant,
36 Oaken Lane,
Claygate, Esher,
Surrey. KT10 0RG.



13 September 1996

THE CONDENSATION SHOP LIMITED

BALANCE SHEET AS AT 31ST MARCH 1996

		1995
	£	£
Fixed Assets		
Tangible assets (Note 2)		<u>378</u> <u>567</u>
Current Assets		
Stock	3,213	4,174
Trade debtors	17,382	13,237
Other debtor		121
Cash at bank	<u>6,061</u>	<u>2,682</u>
	<u>26,656</u>	<u>20,214</u>
Current Liabilities		
Creditors: Amounts falling due within one year		
Trade creditors	32,463	14,855
Accruals	6,075	4,659
Other creditors including taxation	845	955
Directors' loan	<u>16,250</u>	<u>8,000</u>
	<u>55,633</u>	<u>28,469</u>
Net Current Assets	<u>(28,977)</u>	<u>(8,255)</u>
Total assets less current liabilities	<u>(28,599)</u>	<u>(7,688)</u>
Capital & Reserves		
Called up share capital	100	100
Profit & loss account	<u>(28,699)</u>	<u>(7,788)</u>
	<u>(28,599)</u>	<u>(7,688)</u>

In preparing these accounts, we have relied upon the exemptions for individual accounts provided by Part I and Part III of the Companies Act 1985 and we have done so on the ground that the Company is entitled to the benefit of those exemptions as a small Company.

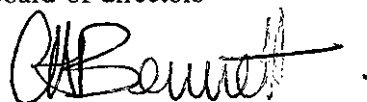
The exemption conferred by section 249A(2) not to have these accounts audited applies to the company and the directors confirm that no notice has been deposited under sec 249B(2) of the Companies Act 1985.

The Directors' acknowledge their responsibility for ensuring that:

- i) the company keeps accounting records which comply with section 221 of the Companies Act 1985 and
- ii) the accounts give a true and fair view of the company as at 31st March 1995 in accordance with the requirements of sec 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to the accounts so far as is applicable to the Company.

Signed on behalf of the board of directors

C.A.Bennett - Director

A handwritten signature in dark ink, appearing to read 'C.A. Bennett', with a long horizontal stroke extending to the right.

13 September 1996

The notes on page 4 form part of these accounts.

THE CONDENSATION SHOP LIMITED

NOTES TO THE ACCOUNTS AT 31ST MARCH 1996

1 Accounting Policies

- a) Basis of accounting - These accounts have been prepared under the historic cost convention.

The company has taken advantage of the exemption in Financial reporting Standard No 1 from the requirement to produce a cash flow on the grounds that it is a small company.

- b) Turnover - Turnover represents net invoiced sale of goods, excluding value added tax.
- c) Stock is valued at the lower of cost and net realisable value.
- d) Deferred taxation - There is no deferred tax liability required.
- e) Tangible fixed assets - Depreciation is provided at 25% of cost in order to write off each asset over its estimated useful life:

2 Tangible Fixed Assets

	Office Furniture & Equipment
Cost	£
Cost brought forward	756
Depreciation	
Brought forward	<u>189</u>
Charge for the year	<u>189</u>
	<u>378</u>
Net Book Value	378
Net Book Value at 31.3.95	567

3 Share Capital

The authorised share capital is 5,000 ordinary shares of £1 each.