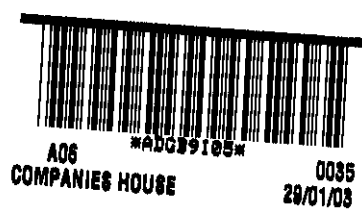


EASYMEDAL LIMITED
REPORT AND ACCOUNTS
YEAR ENDED 31 DECEMBER 2001



EASYMEDAL LIMITED

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EASYMEDAL LIMITED

DIRECTOR AND PROFESSIONAL ADVISORS

Director	H J Meyer (German)
Secretary	Westbury Secretarial Services Limited
Auditors	Pollard Goodman Chartered Accountants 49 High Street Westbury-on-Trym Bristol BS9 3ED
Registered Office	49 High Street Westbury-on-Trym Bristol BS9 3ED
Registered Number	2709712

EASYMEDAL LIMITED**DIRECTOR'S REPORT**

The director submits his report and the accounts for the year ended 31 December 2001.

PRINCIPAL ACTIVITY

The principal activity of the company is trading in photographic equipment and this activity continued throughout the year.

DIRECTOR AND HIS INTEREST

The director and his beneficial interest in the ordinary share capital of the company during the year was:

	At 31 December 2001	At 31 December 2000
	Ordinary shares	Ordinary shares
H J Meyer	Nil	Nil

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

EASYMEDAL LIMITED

DIRECTOR'S REPORT (CONT'D)

STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONT'D)

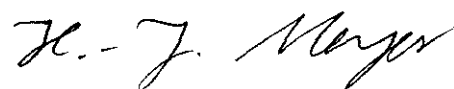
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Pollard Goodman will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

The above report has been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD

A handwritten signature in dark ink, appearing to read 'H. - J. Meyer', is written over the printed name.

H J MEYER – DIRECTOR

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
EASYMEDAL LIMITED**

We have audited the financial statements of Easymedal Limited for the year ended 31 December 2001 on pages 6 to 11. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on pages 3 to 4 the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed. We read the directors' report and consider the implications for our report if we become aware of any apparent mis-statements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2001 and its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

26 JAN 2003


POLLARD GOODMAN
Registered Auditor

EASYMEDAL LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2001**

	Note	2001 DM	2000 DM
Turnover		5,065,268	2,546,435
Cost of sales		<u>4,742,804</u>	<u>2,340,063</u>
Gross profit		322,464	206,372
Selling and distribution costs		(46,009)	(32,063)
Administrative expenses		(229,393)	(220,350)
Other operating income		<u>13,358</u>	<u>14,609</u>
Operating profit/(loss)		60,420	(31,432)
Other interest receivable and similar income		202	227
Interest payable and similar charges		<u>(9,993)</u>	<u>(21,231)</u>
Profit/(loss) on ordinary activities before taxation	2	50,629	(52,436)
Taxation	3	<u>370</u>	<u>8,367</u>
Profit/(loss) on ordinary activities after taxation		50,259	(60,803)
Profit and loss account brought forward		<u>(158,182)</u>	<u>(97,379)</u>
Profit and loss account carried forward		<u>(107,923)</u>	<u>(158,182)</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Total recognised gains and losses

The company has no recognised gains or losses other than the profit/(loss) for the above two financial years.

EASYMEDAL LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2001

	Note	2001	2000
		DM	DM
Fixed assets			
Tangible assets	4	26,662	7,573
Current assets			
Stocks		17,667	202,287
Debtors	5	196,893	418,398
Cash at bank and in hand		7,935	8,051
		<u>222,495</u>	<u>628,736</u>
Creditors: amounts falling due within one year			
Bank overdrafts and loans		25,550	28,673
Trade creditors		177,894	530,658
Other creditors		94,539	165,963
Accruals and deferred income		10,200	20,300
		<u>308,183</u>	<u>745,594</u>
Net current liabilities		<u>(85,688)</u>	<u>(116,858)</u>
Total assets less current liabilities		<u>(59,026)</u>	<u>(109,285)</u>
Creditors: amounts falling due after more than one year		<u>-</u>	<u>-</u>
		<u>(59,026)</u>	<u>(109,285)</u>
Capital and reserves			
Called up share capital	6	48,897	48,897
Profit and loss account		<u>(107,923)</u>	<u>(158,182)</u>
Shareholders' funds		<u>(59,026)</u>	<u>(109,285)</u>

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

These accounts were approved by the board on 20 JAN 2003 and signed on its behalf by:

H. J. Meyer

H J MEYER - DIRECTOR

EASYMEDAL LIMITED**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2001****1. PRINCIPAL ACCOUNTING POLICIES****(a) Basis of accounting**

All items are stated in the accounts under the historical cost accounting rules.

(b) Turnover

Turnover represents amounts invoiced by the company in respect of goods sold during the year, excluding VAT.

(c) Depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets by equal annual instalments over their estimated useful lives at the following rates:

Plant and equipment	15%
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(d) Stocks

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

(e) Currency of accounts

The accounts have been drawn up in Deutschmarks as the director considers this to be the most appropriate currency in which to record the company's transactions.

(f) Foreign currencies

Assets and liabilities denominated in currencies other than Deutschmarks are translated at the rate of exchange ruling at the balance sheet date. Transactions in such currencies are recorded at the rate ruling at the date of the transactions. All differences are taken to the profit and loss account.

EASYMEDAL LIMITED

NOTES TO THE ACCOUNTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2001

(g) Going concern basis

The financial statements have been prepared on the going concern basis which assumed that the company will be able to continue to meet its liabilities as they fall due for the foreseeable future. The validity of this basis is dependent on adequate sources of finance being available from the shareholders. Whilst the shareholders have no obligation to provide this support, the directors consider that such support will be forthcoming as and when it may be required. Should such support not be obtained, adjustments would have to be made to reduce the value of the company's assets to their net realisable amounts, to provide for any further liabilities that might arise and to reclassify fixed assets and long terms liabilities as current assets and liabilities.

2. PROFIT/LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2001 DM	2000 DM
Profit/loss on ordinary activities before taxation is stated after charging:		
Auditors' remuneration	3,500	-
Directors' remuneration	40,000	30,000
Depreciation of owned assets	8,120	4,975
Operating lease charges	<u>34,400</u>	<u>34,800</u>
3. TAXATION	2001 DM	2000 DM
Current year taxation:		
German Corporation tax	<u>370</u>	<u>8,367</u>
	<u>370</u>	<u>8,367</u>

EASYMEDAL LIMITED

NOTES TO THE ACCOUNTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2001

4. TANGIBLE FIXED ASSETS

	Plant and equipment DM
Cost	
At 1 January 2001	45,985
Additions	<u>27,209</u>
At 31 December 2001	<u>73,194</u>
Depreciation	
At 1 January 2001	38,412
Charge for year	<u>8,120</u>
At 31 December 2001	<u>46,532</u>
Net book value	
At 31 December 2001	<u>26,662</u>
At 31 December 2000	<u>7,573</u>

5. DEBTORS

	2001 DM	2000 DM
Trade debtors	112,818	182,915
Others	<u>84,075</u>	<u>235,483</u>
	<u>196,893</u>	<u>418,398</u>

EASYMEDAL LIMITED

NOTES TO THE ACCOUNTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2001

6. CALLED UP SHARE CAPITAL	2001	2000
Authorised:		
16,029 Ordinary shares of £1 per share	<u>£ 16,029</u>	<u>£ 16,029</u>
Allotted, called up and fully paid:		
16,029 Ordinary shares of £1 per share	<u>£ 16,029</u>	<u>£ 16,029</u>
Converted at historical rate of DM 3.05 : £1	<u>DM 48,897</u>	<u>DM 48,897</u>
7. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2001 DM	2000 DM
Profit/(loss) for the financial year	50,259	(60,803)
Opening shareholders' funds	<u>(109,285)</u>	<u>(48,482)</u>
Closing shareholders' funds	<u>(59,026)</u>	<u>(109,285)</u>

8. CONTROL

Throughout the year the company was under the control of Mr R and Mrs T Serba, residents of Poland.