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AUDITORS REPORT TO THE MEMBERS OF ASTROID SPORTS LIMITED

We have audited the financial statements set out on Pages 3 to 6 in accordance with approved Auditing Standards.

As mentioned in Note 1 to the Accounts, Depreciation of the Property as required by Statement of Standard Accounting Practice No. 12 has not been charged. We concur with this treatment for the reasons given by the Directors in Note 1.

In our opinion, the financial statements, which have been prepared under the Historical Cost Convention, give a true and fair view of the state of the Company's affairs at 30th September, 1987, and of its Loss and Source and Application of Funds for the year then ended, and comply with the Companies Act 1985.

165, New London Road,
Chelmsford, Essex.

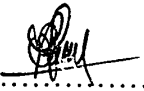
20th April, 1988

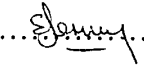
MAYOR, CUTTLE AND CO.
Chartered Accountants.



ASTROID SPORTS LIMITEDBALANCE SHEET AS AT 30TH SEPTEMBER, 1987

	<u>NOTE</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
		(1987)		(1986)	
<u>FIXED ASSETS</u>	2		170,228		171,462
<u>CURRENT ASSETS</u>					
Stock	1	265,334		530,230	
Debtors and Prepayments		77,270		403,267	
Cash in Hand		213		199	
Loans		1,606		3,153	
Cash at Bank		<u>828,149</u>		<u>504,335</u>	
		1,172,572		1,441,184	
		=====		=====	
<u>CREDITORS FALLING DUE WITHIN ONE YEAR</u>					
Creditors Falling Due Within One Year	3	80,885		343,884	
Corporation Tax		<u>21,030</u>		<u>19,075</u>	
		101,915		362,959	
		=====		=====	
<u>NET CURRENT ASSETS</u>			<u>1,070,657</u>		<u>1,078,225</u>
			1,240,885		1,249,687
<u>LESS PROVISION FOR DEFERRED TAX</u>			<u>7,683</u>		<u>12,300</u>
			1,233,202		1,237,387
			=====		=====
<u>FINANCED BY :</u>					
<u>CALLED UP SHARE CAPITAL</u>			1,000		1,000
<u>PROFIT AND LOSS ACCOUNT</u>			<u>1,232,202</u>		<u>1,236,387</u>
			1,233,202		1,237,387
			=====		=====

.....  Director

.....  Director

} Dated : 20th April, 1988

The Notes on Page 6 form part of these Accounts.

ASTROID SPORTS LIMITEDPROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER, 1987

	<u>NOTE</u>	<u>£</u>	<u>(1987)</u>	<u>£</u>	<u>(1986)</u>	<u>£</u>
<u>TURNOVER</u> (Sales for the Year)			1,216,754		2,619,845	
<u>Less</u> Cost of Sales			<u>969,123</u>		<u>1,976,948</u>	
Gross Profit			247,631		642,897	
<u>Less</u> Administration Expenses		276,273		374,567		
Distribution and Selling Expenses		59,065		191,328		
<u>Less</u> Other Income		(465)		(4,031)		
Interest Receivable		(80,562)		(16,724)		
		=====	<u>254,311</u>	=====	<u>545,140</u>	
Profit on Ordinary Activities before Taxation			(6,680)		97,757	
Taxation	4		<u>(2,495)</u>		<u>29,679</u>	
<u>PROFIT AFTER TAXATION</u>			(4,185)		68,078	
Profit of Earlier Years Brought Forward			<u>1,236,387</u>		<u>1,168,309</u>	
Profit Carried Forward as on the Balance Sheet			1,232,202		1,236,387	
			=====		=====	

The Notes on Page 6 form part of these Accounts.

ASTROID SPORTS LIMITEDSTATEMENT OF SOURCE AND APPLICATION OF FUNDSFOR THE YEAR ENDED 30TH SEPTEMBER, 1987

	<u>£</u>	<u>(1987)</u>	<u>£</u>	<u>£</u>	<u>(1986)</u>	<u>£</u>
<u>SOURCE OF FUNDS</u>						
Profit Before Tax			(6,680)			97,7-7
Adjustment for items not involving the movement of funds						
Depreciation and Loss on Sales			29,196			19,779
Profit on Sale of Fixed Assets			-			(2,061)
<u>TOTAL GENERATED FROM OPERATIONS</u>			22,516			115,475
<u>FUNDS FROM OTHER SOURCES</u>						
Sale of Fixed Assets			6,685			14,800
			29,201			130,275
<u>APPLICATION OF FUNDS</u>						
Tax Paid	167			(2,959)		
Purchase of Fixed Assets	34,647			25,303		
	=====		34,814	=====		22,344
			(5,613)			107,931
			=====			=====
<u>INCREASE/DECREASE IN WORKING CAPITAL</u>						
Decrease in Stocks			(264,896)			(313,976)
Decrease in Debtors and Prepayments			(325,997)			(67,323)
Decrease/Increase in Creditors			262,999			(893)
Decrease in Loans			(1,547)			-
<u>MOVEMENT IN NET LIQUID FUNDS</u>						
Cash in Hand			14			(688)
Cash at Bank			323,814			490,811
			(5,613)			107,931
			=====			=====

ASTROID SPORTS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER, 19871. ACCOUNTING POLICIES

The following Accounting Policies have been used consistently in dealing with items which are considered material in relation to the Company's Accounts.

(a) BASIS OF ACCOUNTING

The Accounts have been prepared under Historical Cost Accounting Rules as set out in the 8th Schedule to the Companies Act 1948.

(b) DEPRECIATION

Depreciation has been calculated at 15% of the Net Book Values of the Fixtures, Fittings and Equipment and 25% of the Net book Values of the Vehicles.

No Depreciation has been charged against Cost of Property of £90,845 required by S.S.A.P. 12 as the Directors consider that with proper maintenance its life will be capable of indefinite extension.

(c) PENSION SCHEME

Payments made to the Company Pension Scheme are charged against profit as and when due, so that no provision is made against any actuarial deficit.

(d) DEFERRED TAXATION

Deferred Tax has been calculated at 28% of the difference between the Book Values and the Tax Written Down Values of the Fixtures, Fittings, Equipment and Vehicles.

(e) STOCK

Stock has been valued by the Directors at the lower of Cost or Net Realisable Value.

2. FIXED ASSETS : TANGIBLE ASSETS

	<u>VEHICLES AND EQUIPMENT</u>	<u>PROPERTY</u>	<u>TOTAL</u>
Cost as at 1st October, 1986	204,540	90,845	295,385
Additions at Cost	34,647	-	34,647
Disposals	(39,578)	-	(39,578)
Cost as at 30th September, 1987	199,609	90,845	290,454
	=====	=====	=====
Depreciation as at 1st October, 1986	123,923	Nil	123,923
Charge for the Year	29,196	-	29,196
Disposals	(32,893)	-	(32,893)
Depreciation as at 30th September, 1987	120,226	Nil	120,226
	=====	=====	=====
Net Book Value 30th September, 1987	79,383	90,845	170,228
	=====	=====	=====
Net Book Value 30th September, 1986	80,617	90,845	171,462
	=====	=====	=====

ASTROID SPORTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER, 1987

3. <u>CREDITORS PAYABLE WITHIN ONE YEAR</u>	30.9.1987	30.9.1986
	<u>£</u>	<u>£</u>
Trade Creditors	79	47,847
Expense Creditors	72,756	228,084
Accruals	7,200	24,815
Value Added Tax	-	43,138
	<u>80,885</u>	<u>343,884</u>
	=====	=====

4. CORPORATION TAX

This is a "Close" Company.

The Corporation Tax Credit for the Year is (£2,495).

The Credit in the Profit and Loss Account is arrived as as follows :-

	(1987)	(1986)
	<u>£</u>	<u>£</u>
Corporation Tax for the Year ended 30th September, 1987	2,122	18,908
Deferred Taxation	(4,617)	10,771
	<u>(2,495)</u>	<u>29,679</u>
	=====	=====

5. CALLED UP SHARE CAPITAL

The Company's Share Capital has not altered in the two years being

	<u>AUTHORISED</u>	<u>ISSUED AND FULLY PAID</u>
Ordinary Shares of £1 each	£1,000	£1,000
	=====	=====

6. EXPENSES CHARGED IN REACHING PROFIT FOR THE YEAR

	(1987)	(1986)
	<u>£</u>	<u>£</u>
(1) Directors Remuneration (including Pension Contributions)	82,623	76,533
Auditors Remuneration	1,500	3,000
Depreciation and Loss on Sales	29,196	19,779
Profit on Disposals	-	(2,061)
Bank Interest and Charges	4,535	7,876
	<u>=====</u>	<u>=====</u>
(2) <u>DIRECTORS REMUNERATION</u>		
Fees	35,000	35,000
Other Emoluments	47,623	41,533
	<u>82,623</u>	<u>76,533</u>
	=====	=====

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ASTROID SPORTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER, 1987

	<u>(1987)</u>	<u>(1986)</u>
	<u>£</u>	<u>£</u>
The Chairman Received	54,623	48,433
1 Director Received Remuneration within the band £25,001 - £30,000.		