

MEGAMAX LIMITED
ABBREVIATED ACCOUNTS
30TH JUNE 1998

Registered No. 3044921



MEGAMAX LIMITED

**Auditors' Report to Megamax Limited
under section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 2 to 4, together with the financial statements of Megamax Limited for the year ended 30th June 1998 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The director is responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the full accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the accounts.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.



Philip Dykes & Co
Registered Auditor
1 Roebuck Lane
Sale
Cheshire
M33 7SY

29/7/99

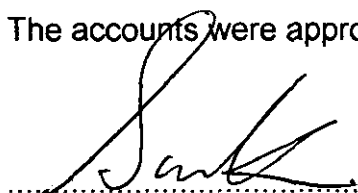
MEGAMAX LIMITEDBALANCE SHEET AS AT 30TH JUNE 1998

		1998		1997	
	NOTES	£	£	£	£
FIXED ASSETS					
Intangible Assets	2		-		15,000
Tangible Assets	2		<u>5,438</u>		<u>24,180</u>
			5,438		39,180
CURRENT ASSETS					
Stocks		108,607		78,783	
Debtors		103,255		95,209	
Cash at bank and in hand		<u>2,005</u>		-	
		<u>213,867</u>		<u>173,992</u>	
Less: CREDITORS: amounts falling due within one year		<u>209,455</u>		<u>171,813</u>	
NET CURRENT ASSETS			<u>4,412</u>		<u>2,179</u>
NET ASSETS			<u>9,850</u>		<u>41,359</u>
CAPITAL AND RESERVES					
Called up share capital	3		1,000		1,000
Profit and loss account			<u>8,850</u>		<u>40,359</u>
Shareholders' funds			<u>9,850</u>		<u>41,359</u>

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

The accounts were approved by the Sole Director on

29/7/98



(S. Kiami - Director)

The notes on pages 3 to 4 form part of these accounts.

MEGAMAX LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 1998

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's accounts.

Basis of Preparation

The accounts have been prepared under the historical cost convention.

Intangible Fixed Assets and Amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the separable assets. It is amortised to profit and loss account over its estimated economic life of five years.

Fixed Assets and Depreciation

Depreciation is provided to write off the cost of fixed assets, less estimated residual values, over their anticipated useful lives, as follows:-

Office equipment and fixtures	- 25% per annum straight line
Motor vehicle	- 25% per annum reducing balance

Finance Leases and Hire Purchase Contracts

Where the company has entered into a finance lease or hire purchase contract, the asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life. Future instalments due, net of finance charges, are included with creditors. Instalments payable are apportioned between the finance element, which is charged to the profit and loss account in interest and the capital element, which reduces the outstanding obligation for future instalments under the lease or contract.

Operating Leases

Rentals applicable to operating leases where substantially all of the risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at rates ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction, with exchange differences taken to the profit and loss account.

MEGAMAX LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
(CONTINUED)

Taxation

Where applicable, the charge to taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between treatment of certain items for taxation and accounting purposes, only where, in the opinion of the director, a liability is expected to crystallise in the foreseeable future.

Pension Costs

The company contributes to the director's personal pension scheme. The amount charged against profits represents the contributions paid to the scheme in respect of the accounting period and is the extent of the company's obligation thereto.

Turnover

Turnover wholly represents amounts derived from the sale of goods in the UK, excluding VAT.

2. <u>FIXED ASSETS</u>	Tangible	Intangible
<u>Cost</u>	£	£
At 1.7.97	36,095	15,000
Additions	3,894	-
Disposals	<u>(30,512)</u>	<u>-</u>
At 30.6.98	<u>9,477</u>	<u>15,000</u>
<u>Depreciation</u>		
At 1.7.97	11,915	-
Charge for year	5,172	15,000
On disposals	<u>(13,048)</u>	<u>-</u>
At 30.6.98	<u>4,039</u>	<u>15,000</u>
Net Book Value 30.6.98	<u>5,438</u>	<u>-</u>

The net book value of fixed assets includes assets held under hire purchase contracts amounting to £ nil (1997: £17,299). Depreciation charged for the year on these assets was £2,562 (1997: £3,656).

3. <u>SHARE CAPITAL</u>	1998	1997
	£	£
Authorised: Ordinary shares of £1 each	1,000	1,000
Allotted, called up, and fully paid		
Ordinary shares of £1 each	1,000	1,000

4. SECURED CREDITORS

The total amount of secured creditors is £49,195 (1997: £20,428)

5. TRANSACTIONS WITH DIRECTOR

During the year the company sold goods to a value of £293 (1997: £235) to Mr S Kiami, the director, on normal commercial terms.