

COMPANY REGISTRATION
NO: 3565415

CONVOLVULUS LTD

ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 2002



REPORT OF THE AUDITORS
TO THE DIRECTOR OF CONVULVULUS LTD
UNDER PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 4 together with the financial statements of Convolvulus Ltd prepared under Section 226 of the Companies Act 1985 for the year ended 31st July 2002.

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 the Company's entitlement to the exemptions claimed in the Director's statement on page 2 and whether the abbreviated accounts have been properly prepared.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the Company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

OPINION

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

The Forge, Langham,
Colchester, Essex, CO4 5PX.

Date: 25th July 2003



George Pearce & Co.,
Chartered Accountants
Registered Auditor

CONVOLVULUS LTD

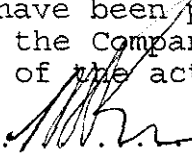
ABBREVIATED BALANCE SHEET AT 31ST JULY 2002

	Notes	£	2002 £	£	2001 £
<u>FIXED ASSETS</u>					
Intangible assets	1 & 2		980		1,120
Tangible assets	1 & 2		21,630		14,775
			<u>22,610</u>		<u>15,895</u>
<u>CURRENT ASSETS</u>					
Stocks	1	159,755		98,297	
Debtors		33,409		40,238	
Cash at bank and in hand		37,542		27,152	
		<u>230,706</u>		<u>165,687</u>	
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>					
		<u>167,811</u>		<u>115,766</u>	
<u>NET CURRENT ASSETS</u>			62,895		49,921
<u>NET ASSETS</u>			<u>£ 85,505</u>		<u>£ 65,816</u>
Financed by:					
<u>CAPITAL AND RESERVES</u>					
Called up share capital	3		2		2
Profit and loss account			85,503		65,814
			<u>£ 85,505</u>		<u>£ 65,816</u>

Approved by the Board on the 25th July 2003

In preparing these abbreviated financial statements, the Director has taken advantage of the exemptions conferred by Schedule 8 Part IIIA of the Companies Act 1985 and, has done so on the grounds that, in her opinion, the company qualifies as a small Company and is entitled to make use of those exemptions.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies (Section 246(8) of the act).

.......: Director
MS D. PROWSE

The notes commencing on page 3 form an integral part of these statements.

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 2002

1. ACCOUNTING POLICIES

- a) The financial statements are prepared under the historical cost convention and include the results of the Company's operations which are described in the Director's Report and all of which are continuing.

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. All applicable accounting standards have been complied with or departures disclosed.

b) Turnover

Turnover represents the value of sales invoiced during the year after deduction of Value Added Tax.

c) Depreciation

Depreciation is provided to write off the cost over the estimated life of the assets at the following annual rates:-

Intangible assets - Patents and trademarks	10% on cost
Motor vehicles	25% on cost
Plant & equipment	20% on net book value
Fixtures & fittings	20% on net book value

d) Stocks

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

e) Deferred taxation

Deferred taxation has been provided on the liability method only to the extent that such taxation will be payable in the foreseeable future. The foreseeable future is taken to be three years.

f) Foreign currencies

Assets and liabilities are translated into sterling at the rates of exchange ruling at the Balance Sheet date. Transactions in foreign currency are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the net profit.

g) Operating leases

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

CONVOLVULUS LTD

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31ST JULY 2002

2. FIXED ASSETS

	<u>Tangible</u>	<u>Intangible</u>
	£	£
Cost at 1st August 2001	27,088	1,400
Additions to fixed assets	13,336	-
	<u>40,424</u>	<u>1,400</u>
Disposals in year	-	-
Cost at 31st July 2002	<u>£ 40,424</u>	<u>£ 1,400</u>
Depreciation at 1st August 2001	12,313	280
Depreciation charge for the year.	6,481	140
	<u>18,794</u>	<u>420</u>
Accumulated depreciation at 31st July 2002	<u>£ 18,794</u>	<u>£ 420</u>
Net book value at 31st July 2002	<u>£ 21,630</u>	<u>£ 980</u>

3. SHARE CAPITAL

Allotted, Issued
and fully paid

<u>2002</u>	<u>2001</u>
£	£

2 Ordinary £1 shares	<u>2</u>	<u>2</u>
The authorised share capital comprised 1,000 Ordinary £1 shares.		