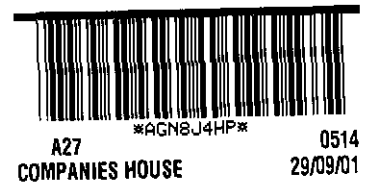


DESIGN EYE LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

For the year ended 31st December 2000

Company Number: 02232736



DESIGN EYE LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

Contents	Page
Directors' report	1
Balance sheet	2
Notes to the financial statements	3

DESIGN EYE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2000

The directors present their report and the financial statements for the year ended 31 December 2000.

PRINCIPAL ACTIVITY

The company is dormant and did not trade during the year.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were:

Lee Robinson (resigned 01.12.00)

Laurence Orbach*

Michael Mousley*

Robert Morley*

Terence Hancock (resigned 03.11.00)

* These directors are also directors of the ultimate holding company, The Quarto Group Inc. Their interests in that company are disclosed in that company's published financial statements.

This report was approved by the Board on 23 April 2001 and signed on its behalf by:


M Mousley
Director

DESIGN EYE LIMITED**BALANCE SHEET****AS AT 31ST DECEMBER 2000**

	Notes	2000 £	1999 £
CURRENT ASSETS			
Debtors	2	245,149	245,149
		<u> </u>	<u> </u>
CAPITAL AND RESERVES			
Called up share capital	3	100	100
Profit and loss account		245,049	245,049
		<u> </u>	<u> </u>
EQUITY SHAREHOLDERS' FUNDS		245,149	245,149
		<u> </u>	<u> </u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249AA(1) of the Companies Act 1985. Members have not required the company under section 249B(2) of the Companies Act 1985, to have an audit for the year ended 31st December 2000. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company as at 31st December 2000 and of its profit or loss for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

Approved by the Board of Directors on 23 April 2001

and signed on its behalf by:


M Mousley
Director

The notes on page 3 form part of these financial statements.

DESIGN EYE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention.

1.2 Profit and loss account

A profit and loss account has not been presented as the company did not trade in the current or preceding year.

2.	DEBTORS	2000 £	1999 £
	Amounts owed by group undertakings	245,149	245,149

3.	SHARE CAPITAL	2000 £	1999 £
	Authorised 1,000 Ordinary shares of £1 each	1,000	1,000
	Allotted, called up and fully paid 100 ordinary shares of £1 each	100	100

4. PARTICULARS OF PARENT UNDERTAKING

The ultimate parent company and controlling party is The Quarto Group Inc, a company registered in Delaware, USA.

The accounts of this company are available to the public and may be obtained from:

The Company Secretary
Quarto Group Inc
6 Blundell Street
London
N7 8BH

The smallest intermediary company for which group accounts are prepared is Design Eye Holdings Limited.