

**'A' PUBLISHING LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 1998**

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COMPANY No. 2686063



**'A' PUBLISHING LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 1998**

**COMPANY INFORMATION**

DIRECTORS:	C P Richardson J M S Domingo
SECRETARY:	J Richardson
REGISTERED OFFICE:	107 North Street MARTOCK Somerset
COMPANY NUMBER:	2686063
ACCOUNTANTS:	Derek J Read & Co. Chartered Accountants 107 North Street MARTOCK Somerset
BANKERS:	National Westminster Bank plc Victoria Place AXMINSTER Devon

**'A' PUBLISHING LIMITED**

**DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 1998**

The directors present their report and the financial statements for the year ended 28 February 1998.

**Principal Activities**

The principal activities of the company continue to be those of publishing and promotions.

**Results**

The company has again made a substantial loss while continuing to develop the project and is insolvent. The liabilities exceed the assets by £414,853. The only major creditors are the directors who have every intention of continuing to finance the company for the foreseeable future. The accounts have been prepared on a going concern basis therefore.

**Directors**

The directors who served during the year and their interests in the shares of the company at the end of the year were as follows:

	Ordinary shares of £1 each			
	At 28/02/98		At 28/02/97	
	'A'	'B'	'A'	'B'
C P Richardson	500	50	500	50
J M S Domingo	-	-	-	-

**Directors Responsibilities**

Company law requires 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, 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 a going concern basis unless it is inappropriate to presume that the company will continue in business.

Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. Directors 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.

This report was approved by the board on ...24.2.99... and has been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the board .....

**'A' PUBLISHING LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28 FEBRUARY 1998**

	<u>Notes</u>	£	<u>1998</u> £	£	<u>1997</u> £	
TURNOVER	1:2		9508		15096	
Cost of Sales			<u>321</u>		<u>671</u>	
GROSS PROFIT			9187		14425	
Selling and distribution expenses		67610		62536		
Administrative expenses		<u>45593</u>	<u>113203</u>	<u>30346</u>	<u>92882</u>	
OPERATING (LOSS)			(104016)		(78457)	
Interest payable			51		347	
Interest receivable			<u>(46)</u>	<u>5</u>	<u>(635)</u>	<u>288</u>
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION			(104021)		(78169)	
Tax on ordinary activities	3		—		—	
(LOSS) FOR THE FINANCIAL YEAR			(104021)		(78169)	
Dividends	4		—		—	
(LOSS) FOR THE YEAR			<u>(104021)</u>		<u>(78169)</u>	

- None of the company's activities were acquired or discontinued during the above two financial years.
- There were no recognised gains or losses other than those recognised in the Profit and Loss Account.
- The profit on ordinary activities before taxation and the retained profit have been calculated on the historical cost basis.
- The notes on pages 7 to 10 form an integral part of these financial statements.

**'A' PUBLISHING LIMITED**

**BALANCE SHEET AS AT 28 FEBRUARY 1998**

	<u>Notes</u>	£	<u>1998</u> £	£	<u>1997</u> £
TANGIBLE FIXED ASSETS	5		15768		20006
CURRENT ASSETS					
Stock and Work in Progress		320700		292700	
Debtors	6	4931		2318	
Cash at Bank and in Hand		<u>7722</u>		<u>8044</u>	
		333353		303062	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	7	<u>763974</u>		<u>633900</u>	
NET CURRENT (LIABILITIES)			<u>(430621)</u>		<u>(330838)</u>
NET LIABILITIES			<u>(414853)</u>		<u>(310832)</u>
CAPITAL AND RESERVES					
Called up Share Capital	8		5050		5050
Profit and Loss Account	10		<u>(419903)</u>		<u>(315882)</u>
Shareholders' Funds	11		<u>(414853)</u>		<u>(310832)</u>

The notes on pages 7 to 10 form an  
integral part of these financial statements

See Directors' Statement on Balance sheet (page 5a)

Continuation Sheet

**"A" PUBLISHING LIMITED**

**DIRECTORS' STATEMENT ON THE BALANCE SHEET**


**AS AT 28 FEBRUARY 1998**

For the year in question, the directors are satisfied that the company was entitled to exemption from an audit under section 249A(1) of the Companies Act 1985 and no member or members have requested an audit pursuant to section 249B(2) of the Act. The directors acknowledge their responsibility for :

- (A) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985; and
- (B) preparing accounts which give a true and fair view of the state of affairs of the company, as at the end of the financial year, and of its profit or loss for the financial year in accordance with the requirements of section 226 of the Companies Act 1985, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

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 of directors on ...24.2.99... and were signed on its behalf by:

Director .....  


Director .....

**'A' PUBLISHING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**

**28 FEBRUARY 1998**

**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of accounts**

The financial statements are prepared under the historical cost convention and incorporate the results of the principal activity which is described in the directors report and which is continuing.

The company has taken advantage of the exemption in FRS 1 from the requirement to prepare a cash flow statement on the grounds that it is a small company.

**1.2 Turnover**

Turnover comprises the invoiced value of goods supplied by the company, net of Value Added Tax and trade discounts.

**1.3 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles	25% reducing balance basis
Office equipment	20% reducing balance basis
Computer Equipment	25% straight line basis

**1.4 Stock and work in progress**

Stock and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.5 Taxation**

The charge for taxation is based on the profit for the year and takes into account deferred taxation. Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

**1.6 Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange differences are taken into account in arriving at the operating loss.

**'A' PUBLISHING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**

**28 FEBRUARY 1998** (continued)

<b>2. OPERATING LOSS</b>	<b><u>1998</u></b>	<b><u>1997</u></b>
	£	£
The operating loss is stated after charging:		
Depreciation of tangible fixed assets owned by the company	5998	6469
Directors' remuneration	26422	23469
Auditors' remuneration	<u>-</u>	<u>1900</u>

<b>3. TAXATION</b>	<b><u>1998</u></b>	<b><u>1997</u></b>
	£	£
U K current year tax:		
U K corporation tax at 21% (1997: 24%/21%)	<u>-</u>	<u>-</u>

**4. DIVIDENDS**

No dividends were paid or proposed during the year (1997: £Nil).

<b>5. TANGIBLE FIXED ASSETS</b>	<b>Computers</b>	<b>Motor Vehicles</b>	<b>Office Equipment</b>	<b>Total</b>
Cost or valuation:	£	£	£	£
At 1 March 1997	11948	10085	6668	28701
Additions	-	-	1760	1760
At 28 February 1998	<u>11948</u>	<u>10085</u>	<u>8428</u>	<u>30461</u>
Depreciation:				
At 1 March 1997	3338	2522	2835	8695
Charge for the year	<u>2988</u>	<u>1891</u>	<u>1119</u>	<u>5998</u>
At 28 February 1998	<u>6326</u>	<u>4413</u>	<u>3954</u>	<u>14693</u>
Net Book Values:				
At 28 February 1998	<u>5622</u>	<u>5672</u>	<u>4474</u>	<u>15768</u>
At 1 March 1997	<u>8610</u>	<u>7563</u>	<u>3833</u>	<u>20006</u>

<b>6. DEBTORS</b>	<b><u>1998</u></b>	<b><u>1997</u></b>
	£	£
Due within one year:		
Trade debtors	4723	2318
Prepayments and accrued income	<u>208</u>	<u>-</u>
	<u>4931</u>	<u>2318</u>



**'A' PUBLISHING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**

**28 FEBRUARY 1998** (continued)

**7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<u>1998</u>	<u>1997</u>
	£	£
Bank overdraft	191	-
Other creditors	753900	624778
Accruals and deferred income	6664	8103
Other taxes and social security	<u>3219</u>	<u>1019</u>
	<u>763974</u>	<u>633900</u>

**8. CALLED UP SHARE CAPITAL**

	<u>1998</u>	<u>1997</u>
	£	£
Authorised:		
Ordinary 'A' shares of £1 each	10000	10000
Ordinary 'B' shares of £1 each	<u>100</u>	<u>100</u>
	<u>10100</u>	<u>10100</u>
Issued and fully paid:		
Ordinary 'A' shares of £1 each	5000	5000
Ordinary 'B' shares of £1 each	<u>50</u>	<u>50</u>
	<u>5050</u>	<u>5050</u>

**9. RIGHTS OF EACH CLASS OF SHARE**

The two classes of shares rank equally with one another in every way save insofar as the ordinary 'B' shares of the company do not carry the right to be notified of or attend and vote either in person or by proxy at any meetings of the company except upon a resolution concerning a distribution or realisation of the company's assets, or the appointment of a receiver, manager or administrator on a liquidation or winding-up.

**10. PROFIT AND LOSS ACCOUNT**

	<u>1998</u>	<u>1997</u>
	£	£
Balance at 1 March 1997	(315882)	(237713)
(Loss) for the year	<u>(104021)</u>	<u>(78169)</u>
Balance at 28 February 1998	<u>(419903)</u>	<u>(315882)</u>

**11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS**

	<u>1998</u>	<u>1997</u>
	£	£
(Loss) for the year	(104021)	(78169)
Shareholders funds at 1 March 1997	<u>(310832)</u>	<u>(232663)</u>
Shareholders funds at 28 February 1998	<u>(414853)</u>	<u>(310832)</u>

**'A' PUBLISHING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**

**28 FEBRUARY 1998** (continued)

**12. ULTIMATE HOLDING COMPANY**

'A' Publishing is a subsidiary of Plane Overseas Incorporation Limited (Panama).