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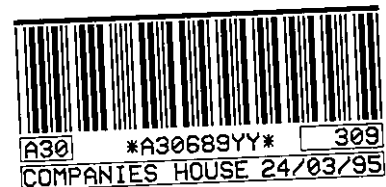
'A' PUBLISHING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED

28th FEBRUARY 1994

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'A' PUBLISHING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED

28th FEBRUARY 1994

COMPANY INFORMATION

DIRECTORS :	C.P. Richardson J.M.S. Domingo
SECRETARY :	J. Richardson
REGISTERED OFFICE :	391 High Street HEATHFIELD Sussex
COMPANY NUMBER :	2686063
AUDITORS :	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 28th FEBRUARY 1994

The directors present their report and the audited financial statements for the year ended 28th February 1994.

PRINCIPAL ACTIVITY

The principal activity of the company is that of printing and publishing.

RESULTS

The company has again made a substantial loss while continuing to develop the project and is insolvent. 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 :

	<u>Ordinary shares of £1 each</u>			
	<u>At 28/02/94</u>		<u>At 28/02/93</u>	
	<u>'A'</u>	<u>'B'</u>	<u>'A'</u>	<u>'B'</u>
C.P. Richardson	500	50	500	50
J.M.S. Domingo	-	-	-	-

J.M.S. Domingo retires by rotation and, being eligible, offers himself for re-election.

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 the 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.

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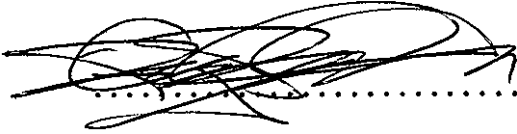
DIRECTORS' REPORT FOR THE YEAR ENDED 28th FEBRUARY 1994
(continued)

AUDITORS

The auditors, Derek J. Read & Co. will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

This report was approved by the board on ...22.3.95..., taking advantage of special exemptions available to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

Signed on behalf of the board

A large, stylized handwritten signature in black ink, written over a dotted line. The signature is highly cursive and difficult to decipher.

AUDITORS' REPORT TO THE MEMBERS OF

'A' PUBLISHING LIMITED

FOR THE YEAR ENDED 28th FEBRUARY 1994

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies on page 7.

Respective responsibilities of directors and auditors

As described on page 3 company directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 28th February 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.



DEREK J. READ & Co.
Chartered Accountants and
Registered Auditors

107 North Street
MARTOCK
Somerset

Dated *22nd* *March* *1995*

'A' PUBLISHING LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28th FEBRUARY 1994

		<u>1994</u>		<u>1993</u>
	£	£	£	£
	<u>Notes</u>			
TURNOVER	1.2 & 2	-		-
Cost of sales		<u>-</u>		<u>-</u>
GROSS PROFIT/(LOSS)		-		-
Selling and distribution costs		25220	15488	
Administrative expenses		<u>7201</u>	<u>32421</u>	<u>6722</u>
OPERATING (LOSS)		(32421)		(22210)
Interest payable		16	-	
Interest receivable		<u>(420)</u>	<u>404</u>	<u>1318</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(32017)		(20892)
Tax on loss on ordinary activities	3	<u>-</u>		<u>-</u>
LOSS FOR THE FINANCIAL YEAR		(32017)		(20892)
Dividends	4	<u>-</u>		<u>-</u>
LOSS FOR THE YEAR	9	<u>(32017)</u>		<u>(20892)</u>

There were no recognised gains or losses other than those recognised in the Profit and Loss account.

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


'A' PUBLISHING LIMITED

BALANCE SHEET AS AT 28th FEBRUARY 1994

		<u>1994</u>		<u>1993</u>
		£	£	£
	<u>Notes</u>			
TANGIBLE FIXED ASSETS	5	4763		5070
CURRENT ASSETS				
Stocks and Work in Progress		18025		8830
Debtors	6	425		484
Cash at Bank and in Hand		<u>978</u>		<u>7614</u>
		19428		16928
CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR	7	<u>72050</u>		<u>37840</u>
NET CURRENT LIABILITIES		<u>(52622)</u>		<u>(20912)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(47859)		(15842)
CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		-		-
PROVISIONS FOR LIABILITIES AND CHARGES		-		-
		<u>(47859)</u>		<u>(15842)</u>
CAPITAL AND RESERVES				
Called up Share Capital	8	5050		5050
Profit and Loss Account	9	<u>(52909)</u>		<u>(20892)</u>
Shareholders Funds	10	<u>(47859)</u>		<u>(15842)</u>

The directors have relied on special exemptions available to small companies on the grounds that the company qualifies as a small company by virtue of Section 247 of the Companies Act 1985.

Approved by the board on 22.3.95 and signed on its behalf.

Director  Director

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

'A' PUBLISHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28th FEBRUARY 1994

1. ACCOUNTING POLICIES

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

No sales were made during the course of the year.

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

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 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. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating loss.

'A' PUBLISHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28th FEBRUARY 1994
(continued)

2. OPERATING (LOSS)

	<u>1994</u>	<u>1993</u>
The operating (loss) is stated after charging :	£	£
Depreciation of tangible fixed assets owned by the company	1486	1662
Directors' remuneration	2800	2330
Auditors' remuneration	<u>1200</u>	<u>764</u>

3. TAXATION

	<u>1994</u>	<u>1993</u>
U.K. current year taxation :	£	£
U.K. corporation tax at 25%	<u>-</u>	<u>-</u>

4. DIVIDENDS

No dividend was paid or proposed during the year.

5. TANGIBLE FIXED ASSETS

	<u>Motor Vehicles</u>	<u>Office Equipment</u>	<u>Total</u>
	£	£	£
Cost or valuation :			
At 1st March 1993	6315	417	6732
Additions	-	1179	1179
At 28th February 1994	<u>6315</u>	<u>1596</u>	<u>7911</u>
Depreciation :			
At 1st March 1993	1579	83	1662
Charge for the year	1184	302	1486
At 28th February 1994	<u>2763</u>	<u>385</u>	<u>3148</u>
Net Book Values :			
At 28th February 1994	<u>3552</u>	<u>1211</u>	<u>4763</u>
At 1st March 1993	<u>4736</u>	<u>334</u>	<u>5070</u>

'A' PUBLISHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28th FEBRUARY 1994
(continued)

6. DEBTORS

	<u>1994</u>	<u>1993</u>
Due within one year :	£	£
Prepayments and accrued income	<u>425</u>	<u>484</u>

7. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1994</u>	<u>1993</u>
	£	£
Bank loans and overdrafts	-	860
Trade creditors	2604	356
Other creditors	67072	35660
Accruals and deferred income	<u>2374</u>	<u>964</u>
	<u>72050</u>	<u>37840</u>

8. CALLED UP SHARE CAPITAL

	<u>1994</u>	<u>1993</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>
Allotted :		
Ordinary 'A' shares of £1 each, fully paid	5000	5000
Ordinary 'B' shares of £1 each, fully paid	<u>50</u>	<u>50</u>
	<u>5050</u>	<u>5050</u>

9. PROFIT AND LOSS ACCOUNT

	<u>1994</u>	<u>1993</u>
	£	£
Balance at 1st March 1993	(20892)	-
Loss for the year	<u>(32017)</u>	<u>(20892)</u>
Balance at 28th February 1994	<u>(52909)</u>	<u>(20892)</u>

'A' PUBLISHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28th FEBRUARY 1994
(continued)

10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	<u>1994</u>	<u>1993</u>
	£	£
(Loss) for the year	(32017)	(20892)
Dividend	-	-
	<u>(32017)</u>	<u>(20892)</u>
New shares issued during the year	-	50
Net reductions during the year	(32017)	(20842)
Shareholders funds at 1st March 1993	<u>(15842)</u>	<u>5000</u>
Shareholders funds at 28th February 1994	<u>(47859)</u>	<u>(15842)</u>

11. ULTIMATE HOLDING COMPANY

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