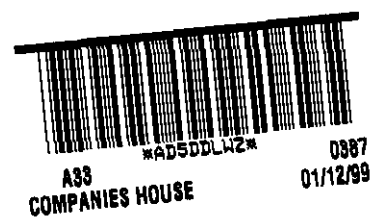


MINING JOURNAL BOOKS LIMITED

Company No. 1172046

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1998



Mining Journal Books Limited

Company Information

Directors

C.G. Hinde
M.J. West
L.C.G.C. Williams

Secretary

R. Aley

Registered Office

60 Worship Street
London
EC2A 2HM

Bankers

National Westminster Bank plc
Cith of London Office
1 Princes Street
London
EC2R 8PB

Auditors

Kingston Smith
Devonshire House
60 Goswell Road
London
EC1M 7AD

Mining Journal Books Limited

Report of the Directors

For the year ended 31 December 1998

The directors submit their Report and Accounts for the year ended 31st December 1998.

Principal Activities

The activities of the company consist of the publication of books, electronic media and associated matters. During the year it continued as agent for Mining Journal's subscription sales and for other publishers' books.

Results and Dividends

The operations of the company for the year resulted in a profit of £68,863 (1997 : £83,980) after deduction of all expenses. The directors have proposed a dividend of £100,000 (1997 - £85,000) during the year.

Directors

The following directors served on the Board in the year:

C.G. Hinde
M.J. West
L.C.G.C. Williams

None of the above has a beneficial interest in the issued shares of the company.

The directors interest in the shares of the ultimate parent company, Mining Journal Limited, are shown in that company's accounts.

Year 2000

Assuring the ongoing operation of our business and computer systems into the next millennium is a key focus of the directors. A comprehensive review of all systems has been carried out to ensure that:

- 1) all business and computer systems will correctly process future dates.
- 2) trading relationships with suppliers and customers will continue to operate without disruption.

The total estimated costs of these reviews have not been quantified but are not expected to be material on the basis of replacement expenditure.

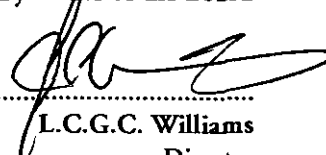
Auditors

Kingston Smith have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act 1985 it is proposed that they be re-appointed auditors to the company for the ensuing year.

Small Company Rules

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

By Order of the Board


L.C.G.C. Williams
Director

60 Worship Street
London EC2A 2HD

Date: 26th October 1999

Mining Journal Books Limited

Directors' Responsibilities and Report of the Auditors

Statement of Directors' Responsibilities

Company law requires the 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, the 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.

The 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. They 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.

Report of the Auditors to the Members of Mining Journal Books Limited

We have audited the accounts on pages 3 to 7 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities under the historical cost convention and the accounting policies set out on page 5.

Respective Responsibilities of Directors and Auditors

As described above the company's directors are responsible for the preparation of the 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.

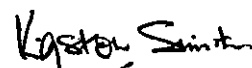
Basis of Opinion

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 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 as at 31st December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 as applicable to small companies.


KINGSTON SMITH
Chartered Accountants
and Registered Auditors

Devonshire House
60 Goswell Road
London EC1M 7AD

Date: 26th October, 1999

Mining Journal Books Limited
Profit and Loss Account
For the year ended 31st December 1998

	Note	1998 £	1997 £
Turnover - continuing operations	2	177,397	268,740
Cost of sales		<u>(54,186)</u>	<u>(113,236)</u>
Gross Profit		123,211	155,504
Administrative expenses		<u>(47,295)</u>	<u>(47,238)</u>
Operating Profit - continuing operations	3	75,916	108,266
Interest Receivable and Similar Income		15,410	8,355
Interest payable and similar charges		<u>(4,158)</u>	<u>(3,035)</u>
Profit on Ordinary Activities before Taxation		87,168	113,586
Taxation	8	<u>(18,305)</u>	<u>(29,606)</u>
Profit for the Financial Year		68,863	83,980
Dividend on equity shares	10	<u>(100,000)</u>	<u>(85,000)</u>
Withdrawn from Reserves		<u><u>(31,137)</u></u>	<u><u>(1,020)</u></u>

There were no recognised gains or losses other than the profit for the two financial years.

The attached notes form part of these accounts.

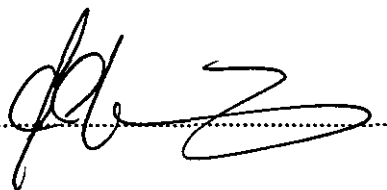
Mining Journal Books Limited
Balance Sheet as at 31st December 1998

	Note	1998 £	1997 £
Current Assets			
Stock		5,582	-
Debtors	4	5,138	2,295
Cash at bank and in hand		<u>283,294</u>	<u>240,268</u>
		294,014	242,563
Creditors: Amounts falling due within one year	5	<u>(193,883)</u>	<u>(111,295)</u>
Net Current Assets		100,131	131,268
Creditors: Amounts falling due after more than one year	6	<u>(50,000)</u>	<u>(50,000)</u>
Net Assets		<u><u>50,131</u></u>	<u><u>81,268</u></u>
Capital and Reserves			
Called up share capital	7	100	100
Profit and loss account	7	<u>50,031</u>	<u>81,168</u>
Equity Shareholders' Funds		<u><u>50,131</u></u>	<u><u>81,268</u></u>

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

Approved by the board on 26th October, 1999

Lawrence Williams



Director

Mining Journal Books Limited
Notes to the Accounts
For the year ended 31st December 1998

1 Accounting Policies

Accounting Basis and Standards

The accounts are prepared under the historical cost convention.

Deferred Taxation

Deferred tax is accounted for under the liability method in respect of the taxation effect of all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition, including where appropriate, a proportion of manufacturing overheads.

Turnover

Turnover represents the invoiced amount of books, CD Roms, publications and associated matters sold and commissions received. It is stated net of value added tax and is attributable to the one principal activity of the company.

2 Turnover

The company has derived 84 % (1997 - 84%) of its turnover from supplying geographical markets outside the UK.

3 Operating Profit

1998	1997
£	£

The operating profit is stated after charging:

Auditors remuneration	950	900
Management Fees (see note 9)	43,221	39,394

4 Debtors

1998	1997
£	£

Trade debtors	2,074	2,295
Recoverable Corporation Tax	3,064	-
	5,138	2,295

5 Creditors: Amounts falling due within one year

1998	1997
£	£

Trade creditors	7,395	5,862
Amounts owed to group undertaking	137,397	62,168
Corporation tax	-	25,317
Other creditors	17,591	12,846
Accruals	1,500	5,102
	163,883	111,295

6 Creditors: Amounts falling due after more than one year

1998	1997
£	£

Long term loan	50,000	50,000
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This is an unsecured loan from Andrew House Limited at an interest rate related to interest received on equivalent cash investments. There are no formal terms of repayment however the above represents the minimum amount which does not fall due for repayment prior to 1st January 2000.

Mining Journal Books Limited
Notes to the Accounts
For the year ended 31st December 1998 (Continued)

7 Share Capital, Movement on Reserves and Reconciliation of Movements in Shareholders' Funds

	Share Capital £	Profit and Loss Account £	Total Shareholders Funds £
Balance at 1st January 1997	100	82,188	82,288
Profit attributable to the shareholders of the company	-	83,980	83,980
Dividends payable	-	(85,000)	(85,000)
	<hr/>	<hr/>	<hr/>
Balance at 31st December 1997	100	81,168	81,268
Profit attributable to the shareholders of the company	-	68,863	68,863
Dividends payable	-	(100,000)	(100,000)
	<hr/>	<hr/>	<hr/>
Balance at 31st December 1998	<u>100</u>	<u>50,031</u>	<u>50,131</u>

The authorised share capital comprises 100 ordinary shares of £1 each (1997: 100) of which 100 have been allotted, issued and are fully paid (1997: 100).

8 Tax on Profit on Ordinary Activities

	1998 £	1997 £
Based on the profit for the year		
Corporation tax @ 21% (1997: 21.75%)	18,305	24,751
Prior year underprovision	-	4,855
	<hr/>	<hr/>
	<u>18,305</u>	<u>29,606</u>

9 Management Fees

This relates to the indirect costs invoiced to the company by its holding company. It includes an element of directors' emoluments and staff salaries.

10 Dividend

	1998 £	1997 £
Proposed dividend of £1000 per share (1997: £850 per share)	<u>100,000</u>	<u>85,000</u>

11 Immediate Parent Undertaking and Ultimate Controlling Party

The immediate parent undertaking is Mining Journal Limited, a company incorporated in Great Britain.

The ultimate controlling party is Lawrence Williams by virtue of his ownership of 54.9% of the issued share capital of that company.

Mining Journal Books Limited
Notes to the Accounts
For the year ended 31st December 1998 (Continued)

12 Related Party Transactions

- (i) During the year the company paid interest of £4,158 (1997 - £2,770) to Andrew House Limited, a company in which C.G. Hinde, M.J. West and L.C.G.C. Williams are all directors. This was in respect of a loan, the balance of which at 31st December 1998 was £65,985 (1997 - £61,827).
- (ii) The company sold services worth £50,000 (1997 - £50,000) and incurred expenses of £37,500 (1997 - £66,524) in transactions with The Mining Journal Limited, its parent company. It also paid a management fee in the year of £43,221 (1997 - £39,394). As at 31st December 1998 the balance owed to The Mining Journal Limited was £167,396 (1997 - £62,168).