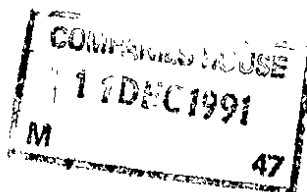


ISLAND WORLD COMMUNICATIONS LIMITED  
(formerly GOLDEN SQUARE MUSIC LIMITED)

Registered Number 2202664

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1990



ISLAND WORLD COMMUNICATIONS LIMITED  
(FORMERLY GOLDEN SQUARE MUSIC LIMITED)

DIRECTORS' REPORT

The directors present their report and audited financial statements for the year ended December 31, 1990. On February 20, 1991, the company changed its name to Island World Communications Limited. The company became a subsidiary of Island World Limited on February 8, 1991.

ACTIVITIES AND REVIEW OF BUSINESS

The company was dormant throughout the period under review but commenced trading as a video distributor and publisher in February 1991.

DIRECTORS

J. Chambers	
P.M. Chambers	(resigned February 12, 1991)
A.M. Frain	(appointed February 12, 1991)
J.B. Heyman	(appointed February 12, 1991)
M. Simkins	(appointed February 12, 1991)

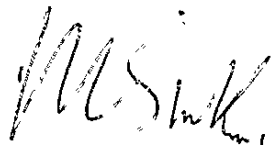
DIRECTORS' INTERESTS

The directors in office at the end of the year were also directors of Golden Square Entertainment Limited, of which the company was a wholly owned subsidiary until February 8, 1991. The interests of these directors are not therefore required to be stated in this report.

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the re-appointment of H.W. Fisher & Company as auditors to the company will be put to the Annual General Meeting.

BY ORDER OF THE BOARD



M. Simkins  
Secretary

24/10/91

1991

REPORT OF THE AUDITORS

TO THE MEMBERS OF ISF AND WORLD COMMUNICATIONS LIMITED

We have audited the financial statements on pages 3 and 4 in accordance with auditing standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at December 31, 1990 and have been properly prepared in accordance with the Companies Act 1985.

H.W. Fisher & Co

H.W. FISHER & COMPANY  
Chartered Accountants  
Acre House  
11 - 15 William Road  
London, NW1 3ER

24 OCTOBER 1991


ISLAND WORLD COMMUNICATIONS LIMITED  
(FORMERLY GOLDEN SQUARE MUSIC LIMITED)

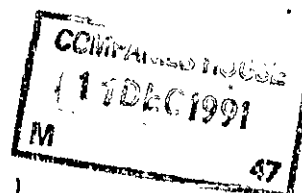
BALANCE SHEET AT DECEMBER 31, 1990

	<u>1990</u>	<u>1989</u>
	<u>£</u>	<u>£</u>
<b>CURRENT ASSET</b>		
Debtor - amount falling due within one year:		
Amount owing by parent undertaking	2	2
	<hr/>	<hr/>
<b>NET ASSETS</b>	<b>£2</b>	<b>£2</b>
	<hr/>	<hr/>
<b>CAPITAL RESERVES</b>		
Called up share capital (Note 2)	2	2
	<hr/>	<hr/>
	<b>£2</b>	<b>£2</b>
	<hr/>	<hr/>

The financial statements on pages 3 and 4 were approved by the Board of directors on 26/10 1991 and were signed on its behalf by:

 A.M. FRAIN

 J. CHAMBERS



)  
)  
) Directors  
)  
)

ISLAND WORLD COMMUNICATIONS LIMITED  
(formerly GOLDEN SQUARE MUSIC LIMITED)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1990

1. ACCOUNTING POLICIES

Basis of accounting:

The accounts are prepared on the historical cost basis.

2. CALLED UP SHARE CAPITAL

	<u>1990</u>	<u>1989</u>
Authorised:		
Ordinary share of £1 each	£50,000	£50,000
	<hr/>	<hr/>
Issued and fully paid:		
Ordinary shares of £1 each	£2	£2
	<hr/>	<hr/>

3. CAPITAL COMMITMENTS

The company had no outstanding capital commitments at December 31, 1990 or in the previous year.

4. ULTIMATE HOLDING COMPANY

The company's ultimate holding company until February 8, 1991 was Golden Square Entertainments Limited, which is incorporated in England and Wales. On February 8, 1991 the company became a wholly-owned subsidiary of Island World Limited.