

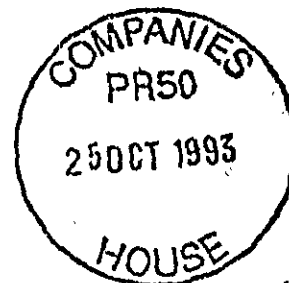
Company No.

2650007

Edisea Limited

Report and Financial Statements

31st December 1992



Edisea Limited

Directors

C. Chalmin
D.J.-M. Rongier

Secretary and Registered Office

C. Chalmin
42 Upper Berkeley Street, London W1H 7PL

Auditors

Moore Stephens
Chartered Accountants
Priory House, Sydenham Road, Guildford, Surrey GU1 3RX

Report of the Directors

The directors present their report and audited financial statements for the period from 30th September 1991 to 31st December 1992.

Review of Activities

The company purchased Boat International magazine during the period. The principal activity of the company is and will continue to be publishing. The directors foresee no significant changes in the future activities of the company.

Results and Dividends

The loss for the financial period amounted to £65,579.
It is recommended that this amount is debited to reserves.
The Directors do not recommend the payment of a dividend for the period.

Incorporation and Change of Name

The company was incorporated on 30th September 1991 as Reward Corp Limited. On 29th November 1991 it changed its name to Boat International Publishers Limited. On 19th December 1991 it changed its name to Edisea Limited.

Post balance sheet event

Details of the post balance sheet event whereby part of the loan from the company's parent company has been waived is set out in note 13 on page 8.

Board changes

The first director of the company was Instant Companies Limited, on 29th October 1991 it was replaced by Mrs. M. Philippe-Serpault and Mr. C. Chalmin. On 29th January 1992 Mrs. M. Philippe-Serpault resigned the board and was replaced by Mr. J.-M. Rongier.

Directors' Interests

Neither of the Directors had any interests in the share capital of the company at any time during the period.

Auditors

The auditors, Moore Stephens, are willing to continue in office. A resolution for their reappointment and authorising the directors to fix their remuneration will be submitted to the forthcoming Annual General Meeting.

By Order of the Board

C. Chalmin
Secretary

16th June, 1993

Report of the Auditors to the Members of
Edisea Limited

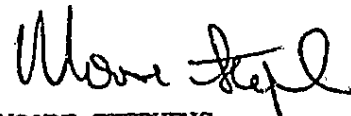
We have audited the financial statements on pages 3 to 8 in accordance with Auditing Standards.

As explained in note 2 the financial statements have been prepared on the going concern basis which assumes the continuing support of the company's parent undertaking and other creditors. Should the company be unable to continue trading, adjustments would have to be made to reduce the value of fixed assets to their recoverable amount, to provide for any further liabilities which might arise, and to re-classify fixed assets as current assets.

Subject to the company being able to continue trading, in our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st December 1992 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Priory House, Sydenham Road,
Guildford, Surrey GU1 3RX

22nd October, 1993



MOORE STEPHENS
Registered Auditors
Chartered Accountants

Edisea Limited

Profit and Loss Account
For the period from 30th September 1991 to 31st December 1992

	Note	
Turnover		1,721,142
Cost of sales		976,970
Gross profit		<u>744,172</u>
Administrative expenses		(702,873)
Operating profit	3	<u>41,299</u>
Investment Income	5	10,482
		<u>51,781</u>
Interest payable and similar charges	6	117,360
		<u> </u>
Loss on ordinary activities before taxation		(65,579)
Tax on ordinary activities		<u>-</u>
Retained Loss for the period		<u><u>£ (65,579)</u></u>

Edisea Limited

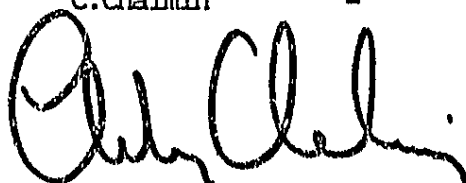
Balance Sheet - 31st December 1992

	Note	
Fixed Assets		
Intangible assets	7	614,710
Tangible assets	8	28,209
		<u>642,919</u>
Current Assets		
Stocks	9	107,042
Debtors	10	561,671
Cash at bank and in hand		234,217
		<u>902,930</u>
Creditors, amounts falling due within one year	11	(1,601,428)
Net Current Liabilities		<u>(698,498)</u>
Net Liabilities		<u>£ (55,579)</u>
Capital and Reserves		
Called up share capital	12	10,000
Profit and loss account		(65,579)
		<u>£ (55,579)</u>

These financial statements were approved by the board on 16th June, 1993 and signed on their behalf by:

C. Chalmin

Director



Edisea Limited

Financial Statements - 31st December 1992

Notes

1. Principal Accounting Policies

1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention.

1.2 Turnover

Turnover represents sales invoiced during the financial period net of value added tax.

1.3 Intangible fixed assets

The company has capitalised, as intangible fixed assets, titles, business lists and papers purchased. Amortisation has been calculated using the straight line method so as to write off the assets over their expected useful life of 20 years.

1.4 Depreciation of tangible fixed assets

Provision is made for depreciation on all tangible assets, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life at the following rates:

Fixtures and fittings:	25% per annum on cost
Equipment:	25% per annum on cost
Motor vehicles:	25% per annum on cost

1.5 Stocks

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 items. Cost includes all direct expenditure.

1.6 Deferred taxation

Provision is made by the liability method for all timing differences which are expected to be reversed in the foreseeable future.

1.7 Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the rate ruling on the balance sheet date. Any resultant gains or losses on exchange are dealt with through the profit and loss account in the period in which they arise.

2. Going concern

The directors believe that the company will receive sufficient financial support from its ultimate parent company for it to continue trading for the foreseeable future.

Edisea Limited

Financial Statements - 31st December 1992
Notes (continued)

3.	Operating profit	1992 £
	Operating profit is stated after charging:	
	Directors' emoluments	-
	Auditors' remuneration	6,500
	Depreciation	47,454
	Adjustment on disposal of fixed assets	7,144
	Exchange difference	10,167
		<u>65,165</u>
4.	Directors and employees	
	Directors' emoluments	
	Neither of the directors received any emoluments in respect of their services to the company.	
	Staff costs	
	Staff costs during the period were as follows:	
	Wages and salaries	216,675
	Social security costs	22,534
		<u>£ 239,209</u>
	The average weekly number of employees of the company during the period was:	Number
	Category	9
	Sales and administration	<u>9</u>
5.	Investment Income	1992
	Bank interest	£ 10,482
		<u>10,482</u>
6.	Interest payable	1992
	On bank overdrafts repayable within 5 years	7,729
	On intra group loans	109,631
		<u>£ 117,360</u>

Edisea Limited

Financial Statements - 31st December 1992

Notes (continued)

7. Intangible fixed assets

	Business lists & papers	Titles	Total
Cost:			
Additions and at 31st December 1992	£ 138,087	£ 516,827	£ 654,914
Amortisation:			
Charge for the period and at 31st December 1992	£ 12,209	£ 27,995	£ 40,204
Net book value at 31st December 1992	£ 125,878	£ 488,832	£ 614,710

8. Tangible fixed assets

	Fixtures and fittings	Equipment	Motor vehicles	Total
Cost:				
Additions	1,504	31,836	16,025	49,365
Disposals	-	-	(16,025)	(16,025)
At 31st December 1992	£ 1,504	£ 31,836	£ -	£ 33,340
Depreciation:				
Charge for the period and at 31st December 1992	£ 266	£ 4,865	£ -	£ 5,131
Net book value at 31st December 1992	£ 1,238	£ 26,971	£ -	£ 28,209

9. Stocks

1992

The amounts attributable to the different categories are as follows:

Work in progress	16,125
Finished goods	90,917
	£ 107,042

Edisea Limited

Financial Statements - 31st December 1992
Notes (continued)

10.	Debtors	1992
	Trade debtors	558,165
	Prepayments	3,506
		<u>£ 561,671</u>
11.	Creditors, amounts falling due within one year	1992
	Bank loans and overdraft	23,205
	Trade creditors	247,961
	Amounts owed to group companies	1,293,626
	Other taxes and social security costs	21,365
	Accruals	15,271
		<u>£1,601,428</u>
12.	Share Capital	1992
	Authorised	
	10,000 Ordinary £1 shares	<u>£ 10,000</u>
	Allotted, called up and fully paid	
	10,000 Ordinary shares of £1 each	<u>£ 10,000</u>
	10,000 shares were issued at par during the period to provide working capital for the company. The consideration for the shares was made by the capitalisation of loans due to its parent company.	
13.	Post balance sheet event	
	The company has been advanced a loan of £1,009,228 by Edimer SARL its immediate parent company. In view of the financial position of the company Edimer SARL has agreed to waive its claim to £66,000 of this loan in the year to 31st December 1993. The amount so waived will be credited to a general reserve. If at any time in the future the financial position of the company improves to such an extent that the loan could be repaid in full without endangering the claims of other creditors then the waiver of the claim will become invalid and the loan will be reinstated to its full value.	
14.	Ultimate Parent Company	
	The company regards Oros Communications SA, incorporated in France, as its ultimate parent company.	