

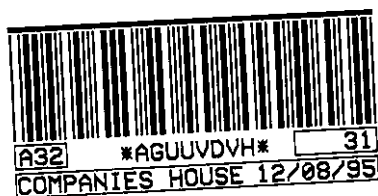
Company No.

2650007

Edisea Limited

Report and Financial Statements

31st December 1994



Edisea Limited

Directors

C. Chalmin
D. Jacob

Secretary and Registered Office

A.V.W. Greenfield
Harcourt House, 19 Cavendish Square, London W1A 2AW

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 year ended 31st December 1994.

Review of Activities

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 profit for the financial year amounted to £121,672. It is recommended that this amount is transferred to reserves. The Directors do not recommend the payment of a dividend for the year.

Directors' Interests

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

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 year. 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
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business (see note 2).

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.

Edisea Limited
Report of the Directors (continued)

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

A.V.W. Greenfield
Secretary



27th July 1995

**Report of the Auditors to the Shareholders of
Edisea Limited**

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 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 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.

Fundamental uncertainty

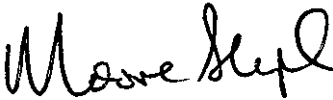
In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the status of the company as a going concern. The company is reliant upon the continued financial support of its parent company or upon obtaining other sources of finance. Details of the circumstances relating to this fundamental uncertainty are described in note 2. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

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

18th August 1995


MOORE STEPHENS
Registered Auditor
Chartered Accountants

Edisea Limited
Profit and Loss Account
For the year ended 31st December 1994

	Note	1994	1993
Turnover		2,004,087	1,856,335
Cost of sales		860,818	758,779
Gross profit		1,143,269	1,097,556
Administrative expenses		(870,868)	(894,273)
Operating profit	3	272,401	203,283
Investment Income	5	451	838
		272,852	204,121
Interest payable and similar charges	6	70,910	72,784
Profit on ordinary activities before taxation		201,942	131,337
Tax on ordinary activities	7	80,270	43,110
Retained profit for the year		£ 121,672	£ 88,227
Summary of retained profits			
Retained profit/(deficit) brought forward		22,648	(65,579)
Retained profit for the year		121,672	88,227
Retained profit carried forward		£ 144,320	£ 22,648

The Company has no recognised gains or losses other than those reported in the profit and loss account.

There is no difference between the historical cost profit and the profit as stated above.

Edisea Limited

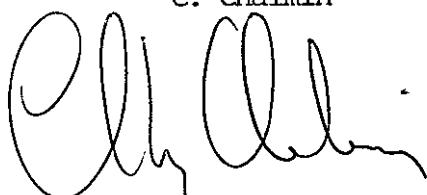
Balance Sheet - 31st December 1994

	Note	1994	1993
Fixed Assets			
Intangible assets	8	549,720	582,215
Tangible assets	9	41,208	48,432
		<u>590,928</u>	<u>630,647</u>
Current Assets			
Stocks	10	174,720	149,627
Debtors	11	805,257	793,096
Cash at bank and in hand		38,285	19,926
		<u>1,018,262</u>	<u>962,649</u>
Creditors, amounts falling due within one year	12	(1,454,870)	(1,560,648)
Net Current Liabilities		<u>(436,608)</u>	<u>(597,999)</u>
Net Assets		<u>£ 154,320</u>	<u>£ 32,648</u>
Capital and Reserves			
Called up equity share capital	13	10,000	10,000
Profit and loss account		144,320	22,648
Equity shareholders' funds	14	<u>£ 154,320</u>	<u>£ 32,648</u>

These financial statements were approved by the Board on 27th July 1995 and signed on its behalf by:

C. Chalmin

Director



Edisea Limited

Financial Statements - 31st December 1994

Notes

1. Principal Accounting Policies

1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with all applicable accounting standards.

1.2 Turnover

Turnover represents sales invoiced during the financial year 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 year in which they arise.

Edisea Limited

Financial Statements - 31st December 1994
Notes (continued)

2. Going concern

The directors believe that the company is a going concern. They anticipate that the trading activities of the company will provide sufficient funds for it to meet its debts as they fall due. The main assumptions used to arrive at this conclusion are that the company will be at least as profitable as it was in the year ended 31st December 1994, that the company will achieve some improvement in the collection period for trade debts and that the immediate parent company will be able to continue to provide financial support at the same level, subject to the scheduled repayment of £200,000 of inter company debt.

If the parent company was unable to provide this level of support then in order to continue trading the company would have to obtain finance from other sources. The directors are confident that, given the current trading position of the company, they would be able to arrange such finance.

3. Operating profit

	1994 £	1993 £
Operating profit is stated after charging/(crediting):		
Directors' emoluments	29,538	14,769
Auditors' remuneration	6,500	6,500
Depreciation	53,295	49,526
Adjustment on disposal of fixed assets	-	(7,597)
Exchange difference	2,135	(10,861)
	<u>29,538</u>	<u>14,769</u>

4. Directors and employees

Directors' emoluments

Staff costs include the following emoluments in respect of directors of the company:

	1994 £	1993 £
Other emoluments including pension contributions	<u>29,538</u>	<u>14,769</u>

Edisea Limited

Financial Statements - 31st December 1994
Notes (continued)

Staff costs

Staff costs during the year were as follows:

Wages and salaries	386,946	438,834
Social security costs	37,271	28,779
	<u>£ 424,217</u>	<u>£ 467,613</u>

The average weekly number of employees
of the company during the year was:

	Number	Number
Category		
Sales, administration and production	<u>14</u>	<u>11</u>

5. Investment Income

	1994	1993
Bank interest	<u>£ 451</u>	<u>£ 838</u>

6. Interest payable

	1994	1993
On bank overdrafts repayable within 5 years	1,220	-
On hire purchase agreements	1,237	-
On intra group loans	68,453	72,784
	<u>£ 70,910</u>	<u>£ 72,784</u>

7. Taxation on Ordinary Activities

	1994	1993
United Kingdom corporation tax based on the results for the year as adjusted for taxation purposes at 33% (1993 - 33%)	<u>£ 80,270</u>	<u>£ 43,110</u>

Edisea Limited

Financial Statements - 31st December 1994
Notes (continued)

8. Intangible fixed assets

	Business lists & papers	Titles	Total
Cost:			
At 1st January 1994 and 31st December 1994	£ 133,087	£ 516,827	£ 649,914
Amortisation:			
At 1st January 1994	13,863	53,836	67,699
Charge for year	6,655	25,840	32,495
At 31st December 1994	£ 20,518	£ 79,676	£ 100,194
Net book value:			
At 31st December 1994	£ 112,569	£ 437,151	£ 549,720
At 31st December 1993	£ 119,224	£ 462,991	£ 582,215

9. Tangible fixed assets

	Fixtures and fittings	Equipment	Motor vehicles	Total
Cost:				
At 1st January 1994	8,077	52,469	7,577	68,123
Additions	719	-	12,857	13,576
At 31st December 1994	£ 8,796	£ 52,469	£ 20,434	£ 81,699
Depreciation:				
At 1st January 1994	2,465	15,330	1,896	19,691
Charge for year	2,199	13,119	5,482	20,800
At 31st December 1994	£ 4,664	£ 28,449	£ 7,378	£ 40,491
Net book value:				
At 31st December 1994	£ 4,132	£ 24,020	£ 13,056	£ 41,208
At 31st December 1993	£ 5,612	£ 37,139	£ 5,681	£ 48,432

Motor vehicles which cost £14,350 and had a net book value of £9,268 have been acquired under hire purchase agreements.

Edisea Limited

Financial Statements - 31st December 1994

Notes (continued)

10. Stocks	1994	1993
Raw materials	31,615	4,446
Work in progress	22,780	19,570
Finished goods	120,325	125,611
	<u>£ 174,720</u>	<u>£ 149,627</u>
11. Debtors	1994	1993
Trade debtors	763,157	763,361
Other debtors	28,417	27,918
Prepayments	13,683	1,817
	<u>£ 805,257</u>	<u>£ 793,096</u>
12. Creditors, amounts falling due within one year	1994	1993
Bank loans and overdraft	24,509	-
Trade creditors	417,087	413,681
Amounts owed to group companies	803,968	1,046,101
Corporation tax	80,270	43,110
Other taxes and social security costs	24,087	22,056
Hire purchase	8,125	-
Accruals	96,824	35,700
	<u>£1,454,870</u>	<u>£1,560,648</u>

The amounts owed to the group company are payable on demand however, under an agreement reached with that company, repayments over the forthcoming year will amount to approximately £200,000.

13. Equity Share Capital	1994	1993
Authorised		
10,000 Ordinary equity shares of £1 each	<u>£ 10,000</u>	<u>£ 10,000</u>
Allotted, called up and fully paid		
10,000 Ordinary equity shares of £1 each	<u>£ 10,000</u>	<u>£ 10,000</u>

Edisea Limited

Financial Statements - 31st December 1994

Notes (continued)

14. Reconciliation of movements in equity shareholders' funds

	1994	1993
Balance at 1st January 1994	32,648	(55,579)
Retained profit for the year	121,672	88,227
Loan waived	-	66,000
Loan reinstated	-	(66,000)
	<hr/>	<hr/>
Balance at 31st December 1994	£ 154,320	£ 32,648
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15. Lease commitments

The company had annual commitments under lease contracts for machinery expiring within two to five years of the balance sheet date amounting to £3,835 (1993-£2,100).

16. Ultimate Parent Company

The company regards Oros Communications SA, incorporated in France, as its ultimate parent company.