TAIKOO BOOKS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH NOVEMBER 1994

Company no. 01396731

LITHGOW, PERKINS & CO.

J. PERKINS F.C.A., A.T.I.I.
D. E. WATLER F.C.A.
M. R. BROADWAY F.C.A.
A. P. HALLINAN M.Inst.A.M.

TELEPHONE: 01423 564446
FAX: 01423 504637

CHARTERED ACCOUNTANTS

CROWN CHAMBERS
PRINCES STREET
HARROGATE
HG1 1NJ

ACCOUNTANTS REPORT TO THE SHAREHOLDERS OF

TAIKOO BOOKS LIMITED

We have examined, without carrying out an audit, the accounts for the year ended 30th November 1994 set out on pages 4 to 7.

Respective responsibilities of directors and reporting accountant
As described on page 5 the company's directors are responsible for the preparation of the accounts, and they believe that the company is exempt from an audit. It is our responsibility to examine the accounts and based on our examination to report our opinion, as set out below, to the shareholders.

Basis of opinion
We conducted our examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practices Board. This examination consisted of comparing the accounts with the accounting records kept by the company and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion
In our opinion:

(a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;

(b) having regard only to, and on the basis of, the information contained in those accounting records:

  (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Companies Act 1985; and

ACCOUNTANTS REPORT TO THE SHAREHOLDERS OF

TAIKOO BOOKS LIMITED (cont'd)

Opinion

(ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

Lithgow Perkins Co.

Lithgow, Perkins & Co.

Reporting Accountants

14th June 1995

TAIKOO BOOKS LIMITED

BALANCE SHEET AS AT 30TH NOVEMBER 1994

	Notes	1994		1993	
		£	£	£	£
FIXED ASSETS					
Tangible assets	2		9,531		3,418
CURRENT ASSETS					
Stocks		254,000		240,000	
Debtors		10,764		2,001	
Cash at bank and in hand		184		133	
		264,948		242,134	
CREDITORS: Amounts falling due within one year	3	(156,796)		(147,491)	
NET CURRENT ASSETS			108,152		94,643
TOTAL ASSETS LESS CURRENT LIABILITIES			117,683		98,061
CREDITORS: Amounts falling due after more than one year	4	(2,798)		(11,465)	
			(2,798)		(11,465)
			114,885		86,596
CAPITAL AND RESERVES					
Called-up share capital	5		100		100
Profit and loss account			114,785		86,496
			114,885		86,596

The balance sheet is continued on page 5

The notes set out on pages 6 to 7 form part of these financial statements

TAIKOO BOOKS LIMITED

BALANCE SHEET AS AT 30TH NOVEMBER 1994 (cont'd)

In approving these financial statements as directors of the company we hereby confirm:-

1. that for the year in question the company was entitled to exemption under subsection 2 of Section 249A of the Companies Act 1985,

2. that no notice had been deposited by members in relation to its accounts for the financial year, and

3. that the directors acknowledged their responsibilities for:
   (i) ensuring that the company keeps accounting records which comply with Section 221, and

   (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Act relating to the accounts, so far as applicable to the company.

- o - o - o -

The directors have taken advantage of the exemptions for individual financial statements conferred by Part I and Part III of Schedule 8 to the Companies Act 1985 and have done so on the grounds that the company is entitled to the benefits of those exemptions as a small company.

Approved by the board:

D.A. Chilton D A Chilton Director

14th June 1995

The notes set out on pages 6 to 7 form an integral part of these accounts

TAIKOO BOOKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 30TH NOVEMBER 1994

1 ACCOUNTING POLICIES

(a) Basis of accounting

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

(b) Depreciation

Depreciation is calculated to write off the cost or valuation, less estimated residual values, of tangible fixed assets over their estimated useful lives to the business. The annual depreciation rates and methods are as follows:

Motor vehicles	- 25% on reducing balance method
Fixtures & fittings	- 10% on reducing balance method
Leasehold property	- over the life of the lease

(c) Stock

Stock is valued at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is based on estimated selling price, less any further costs of realisation.

(d) Deferred taxation

Provisions are made so that the deferred taxation account represents Corporation Tax, calculated on the liability method, in respect of the excess of tax allowances given for fixed assets over the depreciation provided, except to the extent that the directors are able to foresee that no liability is likely to arise from a reversal of the above timing differences for some considerable period.

(e) Turnover

Turnover is the total amount, excluding value added tax, receivable by the company in the ordinary course of business for goods supplied and for services provided as a principal.

(f) Foreign currencies

Transactions in foreign currencies are translated into sterling at the rates of exchange current at the dates of the transactions or at the contracted rate if the transaction is covered by a forward exchange contract.

Assets and liabilities denominated in a foreign currency are translated at the balance sheet date at the exchange rate ruling on that day or if appropriate at the forward contract rate. Resulting exchange gains and losses are taken to the profit and loss account.

TAIKOO BOOKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 30TH NOVEMBER 1994

2 TANGIBLE FIXED ASSETS

	Motor vehicles	Fixtures & fittings	Leasehold property	Total
COST	£	£	£	£
At 1st November 1993	7,750	6,843	3,333	17,926
Additions at cost	9,000	-	-	9,000
Applicable to disposals	(7,750)	-	-	(7,750)
At 30th November 1994	9,000	6,843	3,333	19,176
DEPRECIATION				
At 1st November 1993	7,423	3,753	3,333	14,509
Charge for the year	2,250	309	-	2,559
Released by disposals	(7,423)	-	-	(7,423)
At 30th November 1994	2,250	4,062	3,333	9,645
NET BOOK VALUE				
At 30th November 1994	6,750	2,781	-	9,531
At 30th November 1993	327	3,091	-	3,418

3 CREDITORS: Amounts falling due within one year

	1994	1993
	£	£
The following secured amounts fall due within one year:		
Bank loans and overdrafts	132,120	108,167

4 CREDITORS: Amounts falling due after more than one year

	1994	1993
	£	£
The following secured amounts fall due after more than one year:		
Bank loans	2,798	11,465

5 SHARE CAPITAL

	Number 1994	Value 1994	Number 1993	Value 1993
Authorised:		£		£
Ordinary shares of £1 each	5,000	5,000	5,000	5,000
Issued and fully paid:				
Ordinary shares of £1 each	100	100	100	100