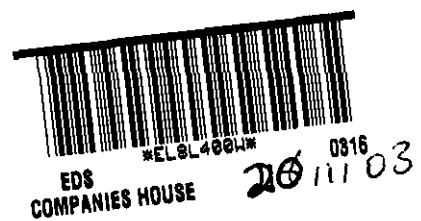


REGISTRATION NUMBER 01754521

QUEENNEWS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002



QUEENNEWS LIMITED

Company information

Directors	Mr P Michael Mrs A Michael Mr A Michael Despo Michael Mikela Michael
Secretary	Alice Michael
Company number	01754521
Registered office	171 Ballards Lane Finchley London N3 1LP
Accountants	ATHINS & CO. 171 Ballards Lane Fichley London N3 1LP
Business address	Bickerton House 25/27 Bickerton House London N19 5JT

QUEENNEWS LIMITED

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QUEENNEWS LIMITED

Directors' report for the year ended 31 March 2002

The directors present their report and the financial statements for the year ended 31 March 2002.

Principal activity

The principal activity of the company is letting of property.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	31/03/02	01/04/01
Mr P Michael	-	-
Mrs A Michael	1,600	1,600
Mr A Michael	3,200	3,200
Despo Michael	-	-
Mikela Michael	-	-

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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.

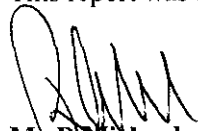
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other

Accountants

The directors recommend that ATHINS & CO. remain in office until further notice.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 8 January 2003 and signed on its behalf by


Mr P Michael
Director

QUEENNEWS LIMITED

Accountants' Report to the Shareholders on the Unaudited Financial Statements of QUEENNEWS LIMITED

We report on the financial statements for the year ended 31 March 2002 set out on pages 3 to 7

Respective responsibilities of directors and reporting accountants

As described on page the company's directors are responsible for the preparation of financial statements, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements 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 financial statements 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 financial statements have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in Section 249A(4) of the Act and did not, at any time within that , fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1)



ATHINS & CO.

Authorised Public Accountant

**171 Ballards Lane
Fichley
London
N3 1LP**

8 January 2003

QUEENNEWS LIMITED

Profit and loss account for the year ended 31 March 2002

		Continuing operations	
		2002	2001
	Notes	£	£
Turnover	2	15,170	7,577
Administrative expenses		2,561	(7,958)
Operating profit/(loss)	3	17,731	(381)
Other interest receivable and similar income		23	30
Profit/(loss) on ordinary activities before taxation		17,754	(351)
Tax on profit/(loss) on ordinary activities	5	(363)	-
Retained profit/(loss) for the year		17,391	(351)
Accumulated loss brought forward		(13,197)	(12,846)
Retained profit/(loss) carried forward		4,194	(13,197)

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 6 to 7 form an integral part of these financial statements.

QUEENNEWS LIMITED

Balance sheet as at 31 March 2002

		2002		2001	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	6		193,211		196,611
Current assets					
Cash at bank		26,457		2,931	
		<u>26,457</u>		<u>2,931</u>	
Creditors: amounts falling due within one year	7	(210,674)		(207,939)	
Net current liabilities			(184,217)		(205,008)
			<u>8,994</u>		<u>(8,397)</u>
Capital and reserves					
Called up share capital	8		4,800		4,800
Profit and loss account			<u>4,194</u>		<u>(13,197)</u>
Equity shareholders' funds	9		<u>8,994</u>		<u>(8,397)</u>

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 6 to 7 form an integral part of these financial statements.

QUEENNEWS LIMITED

Balance sheet (continued)

**Directors' statements required by Section 249B(4)
for the year ended 31 March 2002**

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

X (a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 ; X

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31 March 2002 and

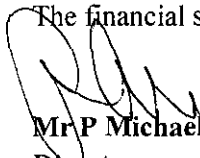
(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing financial statements 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 year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies .

The financial statements were approved by the Board on 8 January 2003 and signed on its behalf by


Mr P Michael
Director

The notes on pages 6 to 7 form an integral part of these financial statements.

QUEENNEWS LIMITED

Notes to the financial statements for the year ended 31 March 2002

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention .

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small company.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating profit/(loss)

Operating profit/(loss) is stated after charging:

Depreciation and other amounts written off tangible assets

and after crediting:

Profit on disposal of tangible fixed assets

2002	2001
£	£
-	-
6,600	3,050
<u>6,600</u>	<u>3,050</u>

4. Directors' emoluments

There were no employees during the year apart from the directors.

	2002	2001
	£	£
Remuneration	(5,000)	-
	<u>(5,000)</u>	<u>-</u>

5. Taxation

UK current year taxation

UK corporation tax

2002	2001
£	£
363	-
<u>363</u>	<u>-</u>

QUEENNEWS LIMITED

Notes to the financial statements for the year ended 31 March 2002

..... continued

6. Tangible fixed assets	Land and buildings freehold £	Fixtures, fittings and equipment £	Motor vehicles £	Freehold Ground Rent £	Total £
Cost					
At 1 April 2001	191,150	1,000	3,000	1,461	196,611
Disposals	-	-	(3,000)	(400)	(3,400)
At 31 March 2002	191,150	1,000	-	1,061	193,211
Net book values					
At 31 March 2002	191,150	1,000	-	1,061	193,211
At 31 March 2001	191,150	1,000	3,000	1,461	196,611

7. Creditors: amounts falling due within one year	2002 £	2001 £
Corporation tax	363	-
Directors' accounts	28,838	33,338
Other creditors	173,778	174,276
Accruals and deferred income	7,695	325
	210,674	207,939

8. Share capital	2002 £	2001 £
Authorised equity		
10,000 Ordinary shares of 1 each	10,000	10,000
Allotted, called up and fully paid equity		
4,800 Ordinary shares of 1 each	4,800	4,800

9. Reconciliation of movements in shareholders' funds	2002 £	2001 £
Profit/(loss) for the year	17,391	(351)
Opening shareholders' funds	(8,397)	(8,046)
Closing shareholders' funds	8,994	(8,397)