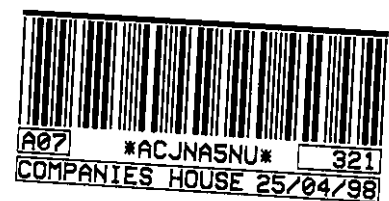


EUROWAVE (UK) LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD FROM 12 JULY 1996  
TO 31 JULY 1997

(Company Number: 3224189)



EUROWAVE (UK) LIMITED

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FOR THE PERIOD FROM 12 JULY 1996 TO 31 JULY 1997

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EUROWAVE (UK) LIMITED  
REPORT OF THE DIRECTOR  
FOR THE PERIOD ENDED 31 JULY 1997

The Director has pleasure in presenting his first report together with the accounts for the period from 12 July 1996 to 31 July 1997.

ACTIVITIES

The Company was incorporated on 12 July 1996. Its principal activity is that of agent in the business of international marketing and promotion.

DIRECTOR AND HIS INTEREST

The Director who held office during the period and his interest in the shares of the Company at the beginning and end of the financial period were:-

	<u>Ordinary Shares of £1 each</u>	
	<u>At beginning of period</u>	<u>At end of period</u>
A. Elder (appointed 12.7.96)	nil	nil

DIRECTORS RESPONSIBILITIES

Company law requires the Directors to prepare accounts for each financial period 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 period. In preparing those accounts, the Directors are required to:-

- Select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on a 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 accounts 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.

CLOSE COMPANY

The Company is a Close Company as defined by the Income and Corporation Taxes Act 1988.

In preparing the above report, the Directors have taken advantage  
of special exemptions applicable to small companies.

Signed on behalf of the Board of Directors

Mr T Salamon  
Secretary

Dated: This 21st day of April 1998

EUROWAVE (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD FROM 12 JULY 1996 TO 31 JULY 1997

	<u>Notes</u>		<u>1997</u>
		£	£
<u>TURNOVER</u>	1.2		3,149
Administrative expenses			<u>2,649</u>
<u>OPERATING PROFIT</u>	3		500
Interest and other income received			<u>127</u>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>			627
<u>TAX ON PROFIT</u>	4		
<u>ON ORDINARY ACTIVITIES</u>			( <u>145</u> )
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR</u>			482
<u>RETAINED PROFIT BROUGHT FORWARD</u>			<u>-</u>
<u>RETAINED PROFIT CARRIED FORWARD</u>			<u>£ 482</u>

CONTINUING OPERATIONS

None of the Company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The Company has no recognised gains or losses other than the Profit for the above two financial periods.

EUROWAVE (UK) LIMITED

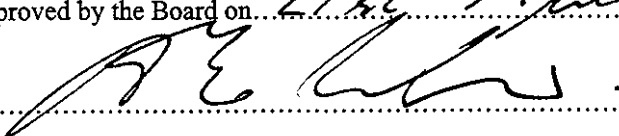
BALANCE SHEET  
AS AT 31 JULY 1997

	<u>Notes</u>	<u>£</u>	<u>1997</u> <u>£</u>
<u>CAPITAL EMPLOYED</u>			
Investment in Joint Venture	9		6,094
<u>CURRENT ASSETS</u>			
Debtors	5	3,859	
Cash at bank and in hand		<u>6,340</u>	
		10,199	
<u>CREDITORS</u> (amounts falling due within one year)	6	<u>15,809</u>	
<u>NET CURRENT (LIABILITIES)</u>			<u>(5,610)</u>
<u>NET ASSETS</u>			<u>£ 484</u>
<u>FINANCED BY:</u>			
<u>CAPITAL AND RESERVES</u>			
Called up share capital	7		2
Profit and loss account			<u>482</u>
Shareholders funds	8		<u>£ 484</u>

The Director considers that the Company is entitled to exemption from the requirement to have an audit under the provisions of Section 249A(1) of the Companies Act 1985. Shareholders holding 10% or more of the Company's share capital have not issued a notice requiring an audit. The Director acknowledges her responsibility for ensuring that the Company keeps accounting records which comply with Section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the Company at 31 July 1997 and of its profit for the period then ended 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.

The Director has taken advantage of special exemptions conferred by Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the accounts and has done so on the grounds that, in her opinion, the Company is entitled to those exemptions.

Approved by the Board on.....

*21st April 1998*  


Director

EUROWAVE (UK) LIMITED

NOTES TO THE ACCOUNTS  
FOR THE PERIOD ENDED 31 JULY 1997

1. ACCOUNTING POLICIES

1.1. Basis of accounting

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

1.2. Turnover

Turnover represents the amount receivable for commission earned on sales and work done, excluding Value Added Tax.

1.3. Deferred taxation

Deferred taxation is not provided for as, in the opinion of the Director, no liability will arise in the foreseeable future.

2. TURNOVER

The turnover and pre-tax Profit are wholly attributable to the Company's main activity.  
The turnover arises entirely outside the U.K.

3. OPERATING PROFIT

1997

This is stated after charging/(crediting):

£

Accountancy fees

588

4. TAXATION

1997

4.1 The tax charge on the Profit on ordinary activities for the year was as follows:

£

U.K. Corporation tax at 24%/21%

145

4.2 The Company is a Close Company as defined by the Income and Corporation Taxes Act 1988.

5. DEBTORS

1997

£

Trade

1,859

Other

2,000

3,859

EUROWAVE (UK) LIMITED  
NOTES TO THE ACCOUNTS  
FOR THE PERIOD ENDED 31 JULY 1997

6. <u>CREDITORS (Amounts falling due within one year)</u>	<u>1997</u> £
Corporation Tax	145
Accruals and other creditors	<u>15,664</u>
	<u>15,809</u>
7. <u>SHARE CAPITAL</u>	<u>1997</u> £
<u>Authorised</u>	
Ordinary shares of £1 each	<u>10,000</u>
<u>Issued and fully paid</u>	<u>2</u>
Ordinary shares of £1 each	
8. <u>RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS FUNDS</u>	
	<u>1997</u> £
<u>PROFIT FOR THE FINANCIAL PERIOD</u>	482
<u>SHARE CAPITAL</u>	2
Opening shareholders funds	<u>nil</u>
<u>CLOSING SHAREHOLDERS FUNDS AT 31 JULY 1997</u>	<u>£ 484</u>

9. INVESTMENT IN JOINT VENTURE

The Company acquired a 4% equity in a Ukrainian - Hungarian - Dutch Joint Venture in the Ukraine.