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REGISTERED No 51169

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BENN BROTHERS plc
REPORT AND ACCOUNTS FOR THE YEAR ENDED
31 MARCH 1986



BENN BROTHERS plc

REPORT OF THE DIRECTORS

DIRECTORS

B G K Downing	Chairman (appointed 28 May 1985) and Managing Director
M G Lowe	Deputy Chairman
A B Brooker	Resigned 28 May 1985, Chairman to that date.
M P Dineen	resigned 28 May 1985
A J Fisher	
H L King	Appointed 1 November 1985
J B Lear	
J Secker	
J V Wilson	

RESULTS AND DIVIDENDS

The profit for the year, after taxation, was £2,411,619.

A preference dividend of £83,820 has been paid. The directors recommend an ordinary dividend of £1,400,000 and that the balance of £927,799 be carried to reserves.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company continues to publish through agents a range of specialist business publications and directories. It is the holding company of a number of subsidiaries engaged in publishing business and professional journals, reference books and guides on taxation and law, newsletters for the professions and holiday guides; the organisation of exhibitions and conferences and other activities related to the provision of specialised information. (See page 17 for list of principal subsidiaries).

During the year the rights in the titles published by Aubrey Drage Publishing were acquired as was the title Packaging Review. The latter has been merged with Packaging Week, a new publication launched in May 1985. The company has disposed of The Accountant. A full review of Benn Brothers plc is included in the report and accounts of the ultimate holding company, Extel Group PLC.

There are no plans significantly to change the pattern of trading or the nature of the products.

INVESTMENTS IN ASSOCIATED COMPANIES

The Company has a 50% interest in MediaTech Limited. See note on page 17.

FIXED ASSETS

Changes in fixed assets are shown on page 15.

REPORT OF THE DIRECTORS (CONTINUED)

EMPLOYEE PARTICIPATION

The company involves its employees in its activities by reporting specifically on annual and half year accounts and statements and by encouraging all members of the management staff to communicate fully within their own areas of responsibility. General business and social news is carried by the company's house journal.

Employees are encouraged to participate directly in the success of the business through profit sharing and share option schemes set up under the provisions of the Finance Acts 1978 and 1980.

EMPLOYMENT OF DISABLED PERSONS

The company gives full and fair consideration to applications for employment by disabled persons and employees who are registered disabled persons are given similar opportunities for appropriate training, career development and promotion as those given to other employees.

DIRECTORS' INTERESTS

The interests of the directors in the ordinary shares of the company's ultimate holding company - Extel Group PLC - at 31 March 1986 and at the beginning of the year or date of appointment were as follows:-

	31 March 1986		1 April 1985	
	<u>Held beneficially (inc.family interests)</u>	<u>Profit Sharing Scheme</u>	<u>Held beneficially (inc.family interests)</u>	<u>Profit Sharing Scheme</u>
A J Fisher	4,200	412*	4,200	185
J B Lear	7,548	376	7,548	186
J Secker	2,442	339*	2,442	156
J V Wilson	2,370	377	2,370	195

*Adjusted for Rights Issue on 12 August 1985.

BENN BROTHERS plc

REPORT OF THE DIRECTORS

DIRECTORS' INTERESTS (CONTINUED)

Directors hold options to subscribe for ordinary shares of 25p each under the Extel Group Savings-Related Share Option Scheme (1) and the Extel Group Discretionary Share Option Scheme (2), as follows:-

	<u>Date Option Granted</u>	<u>Subscription price per Share</u>	<u>Period within which Options exercisable</u>	<u>Number of shares for which rights are exercisable</u>	
				<u>31.3.86</u>	<u>1.4.85</u>
A J Fisher (1)	22.12.1983	178.49*	1.1.1989 - 30.6.1989	1,243*	1,202
A J Fisher (2)	2. 1.1985	278.62*	2.1.1988 - 1.1.1992	10,336*	10,000
H L King (2)	2. 1.1986	310.66	2.1.1989 - 1.1.1993	10,336	-
J B Lear (1)	22.12.1983	178.49*	1.1.1989 - 30.6.1989	2,072*	2,004
J B Lear (2)	2. 1.1985	278.62*	2.1.1988 - 1.1.1992	10,336*	10,000
J Secker (1)	22.12.1983	178.49*	1.1.1989 - 30.6.1989	1,243*	1,202
J Secker (2)	2. 1.1985	278.62*	2.1.1988 - 1.1.1992	10,336*	10,000
J V Wilson (1)	22.12.1983	178.49*	1.1.1989 - 30.6.1989	2,072*	2,004
J V Wilson (1)	20.12.1984	236.05*	1.1.1990 - 30.6.1990	1,567*	1,516
J V Wilson (2)	2. 1.1986	310.66	2.1.1989 - 1.1.1996	10,336	-

*Adjusted for Rights Issue on 12 August 1985.

B G K Downing and M G Lowe are directors of the ultimate holding company and therefore are not required to notify their interests to this company.

Other than stated above none of the directors holds shares in the company nor in any other company in the Group except as a nominee of the ultimate holding company.

At no time during the period has any director had a material interest in a contract with the company or any of its subsidiaries being a contract of significance in relation to the business of the company or any of its subsidiaries.

BENN BROTHERS plc

REPORT OF THE DIRECTORS (CONTINUED)

CHARITABLE CONTRIBUTIONS

During the year the company made contributions, mainly to charities long associated with industries served by its publications, amounting to £1,543.

AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution proposing the re-appointment of Deloitte Haskins & Sells as auditors to the company will be put to the Annual General Meeting.

By order of the Board



Secretary

2 May 1986

REPORT OF THE AUDITORS

TO THE MEMBERS OF BENN BROTHERS plc

We have audited the accounts on pages 6 to 20 in accordance with approved auditing standards.

In our opinion, the accounts give a true and fair view of the state of the company's affairs at 31 March 1986 and of its profit and source and application of funds for the year then ended and comply with the Companies Act 1985.



Deloitte Haskins & Sells

Chartered Accountants
London

2nd May 1986

BENN BROTHERS plc

ACCOUNTING POLICIES

Basis of Accounting

The accounts on pages 8 to 20 have been prepared on the historical cost basis of accounting, as modified by the revaluation of freehold properties, and by adopting the following accounting policies:

Turnover

Turnover is recognised on the basis of amounts invoiced to customers, adjusted for amounts received in advance, returns and agents' commission.

Goodwill

The cost of new publications and goodwill is charged against reserves at the date of acquisition.

Properties

Freehold properties are included at open market value for existing use. Leasehold premises have not been revalued as the Directors consider that their open market values approximate their net book values in the accounts.

Depreciation

Depreciation is calculated to write off the cost or valuation of the assets in equal annual instalments on the following bases:-

Freehold buildings	-	over estimated useful life.
Leasehold properties	-	over duration of lease or estimated useful life, if shorter.
Plant and equipment	-	20% p.a. to 33 $\frac{1}{3}$ % p.a.
Vehicles	-	25% p.a.

Stocks and work in progress

Stocks and work in progress, which consist mainly of paper and the cost of printing, are valued at the lower of cost on a first-in first-out basis and estimated net realisable value.

Deferred Taxation

The provision represents taxation deferred in each financial period at appropriate rates of corporation tax by reason of the timing differences of income and expenditure for accounting and taxation purposes. Deferred taxation would not be provided in the event that it could be demonstrated that a liability is unlikely to arise because of the incidence of capital expenditure.

BEN BROTHERS Plc

ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

Overseas assets and liabilities are translated into Sterling at the rate of exchange on 31 March and differences arising are taken direct to reserves.

Contributions to the pension fund

Contributions to the pension fund are made at the level recommended by the actuaries to meet the liabilities of the fund. Formal actuarial calculations are ordinarily carried out every two years - see note 17.

BENN BROTHERS plc

PROFIT AND LOSS ACCOUNT

Year ended	Notes	31 March 1986	31 March 1985
		<u>£</u>	<u>£</u>
Turnover	1	<u>£16,549,677</u>	<u>£15,011,268</u>
Profit on ordinary activities before bank interest	2	3,528,661	2,717,012
Bank interest receivable		<u>11,364</u>	<u>3,080</u>
Profit on ordinary activities before taxation		3,540,025	2,720,092
Taxation	5	<u>(1,128,406)</u>	<u>(1,063,435)</u>
Profit on ordinary activities after taxation		2,411,619	1,656,657
Extraordinary items	6	<u>-</u>	<u>54,804</u>
Profit attributable to shareholders		2,411,619	1,711,461
Preference dividends	7	<u>(83,820)</u>	<u>(83,820)</u>
Profit attributable to ordinary shareholders		2,327,799	1,627,641
Ordinary dividends	7	<u>(1,400,000)</u>	<u>(1,397,000)</u>
Retained profit for the period		927,799	230,641
Retained profit brought forward		<u>960,747</u>	<u>814,287</u>
		1,888,546	1,044,928
Goodwill acquired		(638,700)	(94,125)
Provision against subsidiary	10	(393,896)	-
Exchange differences		<u>(9,892)</u>	<u>9,944</u>
Retained profit carried forward		<u>£ 846,058</u>	<u>£ 960,747</u>

BENN BROTHERS plc

BALANCE SHEET

	Notes	31 March 1986	31 March 1985
		<u>£</u>	<u>£</u>
FIXED ASSETS			
Tangible assets	8	1,216,155	2,387,190
Investments	10	1,121,413	1,515,308
		<u>2,337,568</u>	<u>3,902,498</u>
CURRENT ASSETS			
Stocks	11	311,555	369,805
Debtors	12	9,968,703	7,539,721
Cash at bank and in hand		270,093	177,068
		<u>10,550,351</u>	<u>8,086,594</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	13	7,784,575	7,049,380
NET CURRENT ASSETS		<u>2,765,776</u>	<u>1,037,214</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		5,103,344	4,939,712
Creditors: amounts falling due after more than one year	13	1,256,178	859,857
		<u>3,847,166</u>	<u>4,079,855</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	14	394,000	512,000
NET ASSETS		<u>£ 3,453,166</u>	<u>£3,567,855</u>

BENN BROTHERS plc

BALANCE SHEET (CONTINUED)

	Notes	31 March 1986	31 March 1985
		<u>£</u>	<u>£</u>
CAPITAL AND RESERVES			
Called up share capital	15	2,581,650	2,581,650
Revaluation reserve		25,458	25,458
Profit and loss account		846,058	960,747
		<u>£3,453,166</u>	<u>£3,567,855</u>

The accounts on pages 6 to 20 were approved by the Board of Directors on May 1986 and were signed on its behalf by:

B G K Downing)
A J Fisher)

Brian Downing
Directors
[Signature]

BENN BROTHERS plc

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Year ended	31 March 1986	31 March 1985
	<u>£</u>	<u>£</u>
SOURCE OF FUNDS		
Profit on ordinary activities before taxation	3,540,025	2,720,092
Adjustment for items not involving the movement of funds:-		
Depreciation	571,797	488,627
(Profit)/Loss on sale of tangible fixed assets	(48,414)	85,056
Provision against fixed asset investments	49	1,122
Exchange differences taken to reserves	(9,892)	9,944
Total generated from operations	<u>4,053,565</u>	<u>3,304,841</u>
Proceeds of sale of tangible fixed assets	1,196,722	148,980
Sale of subsidiary and goodwill	-	54,804
Total source of funds	<u>5,252,287</u>	<u>3,508,625</u>
APPLICATION OF FUNDS		
Purchase of goodwill	638,700	94,125
Investment in subsidiary and associated companies	50	924,652
Purchase of tangible fixed assets	551,070	1,397,159
Tax paid	582,728	33,381
Dividends paid	1,083,820	1,380,820
Total funds applied	<u>2,856,368</u>	<u>3,830,137</u>
Net increase/(decrease) in funds	<u>£2,395,919</u>	<u>£ (321,512)</u>
REPRESENTED BY INCREASES/(DECREASES) IN WORKING CAPITAL		
Stocks	(58,250)	26,463
Debtors	2,428,982	886,357
Creditors falling due within one year	(67,838)	(1,074,550)
	<u>2,302,894</u>	<u>(161,730)</u>
Net liquid funds	<u>93,025</u>	<u>(159,782)</u>
	<u>£2,395,919</u>	<u>£ (321,512)</u>

NOTES ON THE ACCOUNTS

1. TURNOVER

	1986	1985
	<u>£</u>	<u>£</u>
Geographical markets supplied were as follows:-		
UK	14,898,776	13,625,072
Africa	18,277	15,223
Americas	230,937	232,561
Asia	152,179	195,038
Australasia	25,955	25,675
Rest of Europe	1,223,553	917,699
	<u>£16,549,677</u>	<u>£15,011,268</u>

Turnover comprises the publishing of trade and technical books and journals and related activities.

2. PROFIT ON ORDINARY ACTIVITIES
BEFORE BANK INTEREST

Turnover	16,549,677	15,011,268
Less: Changes in work in progress	(14,180)	(60,063)
Other operating income: group companies	1,019,271	604,286
Raw materials	(752,242)	(646,740)
Other external charges	(6,338,987)	(5,634,613)
Staff costs:-		
Wages and salaries	(3,963,875)	(3,431,484)
Social security costs	(386,602)	(347,973)
Other pension costs	(297,140)	(343,798)
Depreciation and other amounts written-off tangible fixed assets	(523,383)	(599,454)
Amounts written-off as a result of temporary reduction in value of fixed asset investments	(49)	(1,021)
Group interest (net)	436,239	303,103
Other operating charges	(2,200,068)	(2,136,469)
	<u>£3,528,661</u>	<u>£ 2,717,012</u>
Profit on ordinary activities before bank interest is stated after charging:		
Auditors' remuneration	£ 26,190	£ 24,340
Staff profit sharing scheme	£ 54,648	£ 40,079
and after crediting:		
Dividends receivable from subsidiaries	£ 666,000	£ 359,000

NOTES ON THE ACCOUNTS (CONTINUED)

3. STAFF

	<u>1986</u> <u>Number</u>	<u>1985</u> <u>Number</u>
The weekly average number of monthly paid staff employed during the period was	424	413

4. DIRECTORS' REMUNERATION

	<u>£</u>	<u>£</u>
Emoluments including pension contributions	£ 159,650	£ 134,028

Emoluments of directors before pension contributions:-

Chairman	£ -	£ -
Highest paid director	£ 34,949	£ 31,646

Number of other directors whose remuneration was in the following ranges:-

	<u>Number</u>	<u>Number</u>
£0 - £ 5,000	3	3
£5,001 - £10,000	-	-
£10,001 - £15,000	1	-
£20,001 - £25,000	-	-
£25,001 - £30,000	1	1
£30,001 - £35,000	2	2

5. TAXATION

	<u>1986</u> <u>£</u>	<u>1985</u> <u>£</u>
UK Corporation tax at 40% (1985 - 45%)		
Current	1,224,378	859,857
Deferred	(63,900)	215,000
	<u>1,160,478</u>	<u>1,074,857</u>
Adjustment in respect of prior years	(32,072)	(11,422)
	<u>£1,128,406</u>	<u>£1,063,435</u>

BENN BROTHERS plc

NOTES ON THE ACCOUNTS (CONTINUED)

6. EXTRAORDINARY ITEMS

	1986	1985
	<u>£</u>	<u>£</u>
Profit on sale of subsidiary company	-	13,851
Profit/(loss) on sales of goodwill	-	40,953
	<u>-</u>	<u>54,804</u>
	-	£ 54,804

7. DIVIDENDS

Preference shares:

Paid 31 December	41,910	41,910
30 June	41,910	41,910
	<u>£ 83,820</u>	<u>£ 83,820</u>

Ordinary shares:

Interim paid	-	397,000
Final proposed	1,400,000	1,000,000
	<u>£1,400,000</u>	<u>£1,397,000</u>
Total	<u>£1,483,820</u>	<u>£1,480,820</u>

BENN BROTHERS plc

NOTES ON THE ACCOUNTS (CONTINUED)

8. TANGIBLE FIXED ASSETS

	Land and Buildings	Plant, equipment and vehicles	Total
	<u>£</u>	<u>£</u>	<u>£</u>
Cost or valuation			
At 31 March 1985	1,128,492	2,436,210	3,564,702
Reclassification	(88,959)	88,959	-
Additions	98,639	449,458	548,097
Group transfers	* (1,073,767)	(26,615)	(1,100,382)
Disposals	-	(277,862)	(277,862)
At 31 March 1986	<u>64,405</u>	<u>2,670,150</u>	<u>2,734,555</u>
Depreciation			
At 31 March 1985	43,587	1,133,925	1,177,512
Reclassification	(40,282)	40,282	-
Group transfers	-	(20,152)	(20,152)
Charge for the year	1,364	570,433	571,797
Eliminated in respect of disposals	-	(210,757)	(210,757)
At 31 March 1986	<u>4,669</u>	<u>1,513,731</u>	<u>1,518,400</u>
Net book value - 31 March 1986	<u>£ 59,736</u>	<u>£1,156,419</u>	<u>£1,216,155</u>
- 31 March 1985	<u>£1,084,905</u>	<u>£1,302,285</u>	<u>£2,387,190</u>
Cost or valuation at 31 March 1986 is represented by:-			
Valuation by the Directors in 1986	55,000	-	55,000
Cost	9,405	2,670,150	2,679,555
	<u>£ 64,405</u>	<u>£2,670,150</u>	<u>£2,734,555</u>
	1986	1985	
	<u>£</u>	<u>£</u>	
Land and buildings at net book value comprise:-			
Freeholds	51,561	1,076,283	
Short leaseholds	8,175	8,622	
	<u>£ 59,736</u>	<u>£1,084,905</u>	

*During the year ownership of the extension to Benn House was transferred to the Group company.

BENN BROTHERS plc

NOTES ON THE ACCOUNTS (CONTINUED)

8. TANGIBLE FIXED ASSETS (CONTINUED)

1986

1985

££

If freehold land and buildings had not been revalued they would have been included at the following amounts:-

Cost	29,542	1,093,629
Depreciation	1,846	41,266
	<u>£ 27,696</u>	<u>£1,052,363</u>

9. CAPITAL COMMITMENTS

Contracted for but not included
in the accounts

£ - £ 260,000

Authorised by the directors but
not yet contracted for

£709,000 £ 460,000

10. FIXED ASSET INVESTMENTS

	Subsidiaries	Associated Companies	Total
	<u>£</u>	<u>£</u>	<u>£</u>
Cost			
At 31 March 1985	1,544,737	100	1,544,837
Additions	-	50	50
Disposals	-	-	-
Reclassification	100	(100)	-
At 31 March 1986	<u>1,544,837</u>	<u>50</u>	<u>1,544,887</u>
Amounts written-off			
At 31 March 1985	29,429	100	29,529
Prior year adjustment	393,896	-	393,896
Written off in period	49	-	49
Reclassification	50	(50)	-
At 31 March 1986	<u>423,424</u>	<u>50</u>	<u>423,474</u>
Net book value - 31 March 1986	<u>£1,121,413</u>	<u>£ -</u>	<u>£1,121,413</u>
31 March 1985	<u>£1,515,308</u>	<u>£ -</u>	<u>£1,515,308</u>

BENN BROTHERS plc

NOTES ON THE ACCOUNTS (CONTINUED)

10. FIXED ASSET INVESTMENTS (CONTINUED)

The principal subsidiaries are as follows:-

Wholly owned by Benn Brothers plc:-

	<u>Share category</u>
Benn Publications Limited	Ordinary
Tolley Publishing Company Limited	Ordinary
FHG Publications Limited	Ordinary and 2% non cumulative preference
Benn Brothers Properties Limited	Ordinary and deferred
Benn Electronics Publications Limited	Ordinary
Charles Knight and Company Limited	Ordinary
British Continental Trade Press Limited	Ordinary and 2.1% non cumulative preference
Taxation Publishing Company Limited	Ordinary and deferred
Benn Conferences Limited	Ordinary

Wholly owned by another subsidiary:-

Benn Business Information Services Limited	Ordinary and deferred
--------------------------------------------	-----------------------

All of the above companies were incorporated in and operate mainly in Great Britain.

During the year the company acquired the remainder of the shares of Benn Conferences Limited (formerly Face to Face International Limited).

Consolidated accounts are not presented as the company is a wholly owned subsidiary of another company incorporated in Great Britain.

The company owns a 50% interest in MediaTech Limited. At 31 March 1986 there was a deficit of £89,841 (1985 £92,446) on that company's share capital and reserves. MediaTech made a profit of £2,615 in the year (1985 a loss of £45,507) and has ceased to trade.

11. STOCKS

	1986	1985
	<u>£</u>	<u>£</u>
Raw materials	251,992	296,062
Work in progress	59,563	73,743
	<u>£311,555</u>	<u>£369,805</u>

BENN BROTHERS plc

NOTES ON THE ACCOUNTS (CONTINUED)

12. DEBTORS

	1986	1985
	<u>£</u>	<u>£</u>
Amounts falling due within one year:-		
Trade debtors	3,272,103	2,302,885
Amounts owed by subsidiaries	10,541	20,801
Amounts owed by parent company and fellow subsidiaries	6,522,044	4,942,988
Amounts owed by associated companies	-	12,596
Other debtors	34,510	106,071
Prepayments and accrued income	129,505	154,380
	<u>£9,968,703</u>	<u>£7,539,721</u>

13. CREDITORS

Amounts falling due within one year:-		
Trade creditors	1,249,332	1,271,939
Amounts owed to subsidiaries	1,682,413	1,748,650
Amounts owed to parent company and fellow subsidiaries	247,459	265,245
Dividend payable	1,400,000	1,000,000
Corporation tax	854,122	586,765
Other taxation and social security	507,171	294,478
Other creditors	108,772	223,298
Accruals and deferred income	1,735,306	1,659,005
	<u>£7,784,575</u>	<u>£7,049,380</u>
Amounts falling due after more than one year:-		
UK Corporation tax	<u>£1,256,178</u>	<u>£ 859,857</u>

14. DEFERRED TAXATION

	Amount provided		Total potential liability	
	1986	1985	1986	1985
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Tax effect of timing differences due to:-				
Excess of tax allowances over depreciation	172,000	311,000	172,000	311,000
Other - interest receivable	222,000	201,000	222,000	201,000
	<u>£394,000</u>	<u>£512,000</u>	<u>£394,000</u>	<u>£512,000</u>

NOTES ON THE ACCOUNTS (CONTINUED)

14. DEFERRED TAXATION (CONTINUED)

The movements on the provision
are as follows:-

At 31 March 1985	512,000
Transfer to current taxation	(54,100)
Transfer to profit and loss account	(63,900)
	<hr/>
At 31 March 1986	£394,000

The potential amount of deferred tax on fixed asset revaluation surpluses and on roll-over relief, has not been quantified because these do not constitute timing differences.

15. CALLED UP SHARE CAPITAL

	Number of Shares	Nominal Value <u>£</u>
At 31 March 1986 and 1985		
Authorised:		
10% cumulative preference shares of £1 each	836,198	838,198
Ordinary shares of 1p each	48,540,600	485,406
Deferred shares of 25p each	6,705,584	1,676,396
	<hr/>	<hr/>
		£3,000,000

Allotted, called up and fully paid:

10% cumulative preference shares of £1 each	838,198	838,198
Ordinary shares of 1p each	6,705,584	67,056
Deferred shares of 25p each	6,705,584	1,676,396
	<hr/>	<hr/>
		£2,581,650

16. CONTINGENT LIABILITIES

The company and certain fellow subsidiaries are grouped together for VAT purposes and, as such, are jointly and severally liable for any tax due.

BENN BROTHERS plc

NOTES ON THE ACCOUNTS (CONTINUED)

17. PENSION COMMITMENTS

The company has a pension scheme for its members of staff. The actuarial valuation by Hymans Robertson at 5 April 1984 indicated that there were sufficient assets in the fund to secure the benefits of existing pensioners and to provide paid-up pensions to present members of staff on the basis of present salaries and credited periods of service.

18. ULTIMATE HOLDING COMPANY

The ultimate holding company of Benn Brothers plc is Extel Group PLC, which is incorporated in Great Britain.