Deloitte & Touche

Company Registration No. 53626

IPC MAGAZINES LIMITED

Report and Financial Statements

30 September 1999

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COMPANIES HOUSE 05/04/00

Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR

Deloitte & Touche

REPORT AND FINANCIAL STATEMENTS 1999

CONTENTS

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 30 September 1999. The comparative figures stated are for the nine months ended 30 September 1998 following the change of year end accounting date to 30 September in line with that of the ultimate parent undertaking.

REVIEW OF THE BUSINESS, ACTIVITIES AND FUTURE DEVELOPMENTS

The company continues to operate as a publisher of magazines. Despite weak market conditions, the company reported an operating profit of £54.0 million (period ended 30 September 1998 - £44.8 million profit).

A number of key strategic initiatives have been completed during the year which will provide the company with a platform for future growth:

- Link House was acquired and successfully integrated, comprising 27 titles, 8 one shots and 13 annual holiday guides;
- magazine brand marketing spend was increased by more than 50%;
- a restructuring plan was completed resulting in the creation of five independent publishing businesses and anticipated ongoing annualised savings of £6 million; and
- Later and New Eden magazines have been successfully launched.

DIVIDENDS

The directors do not recommend the payment of a dividend for the year (nine months ended 30 September 1998 - £nil).

DIRECTORS AND THEIR INTERESTS

The directors that served during the year and subsequently are:

S Bailey	
M Matthew	(resigned 1 December 1999)
W R Aley	
T D G Arculus	
S J Auton	
R R Carayol	
L Lancaster-Gaye	
A McDuff	
C M Reeves-Smith	
D Stam	
A D Tanner	
C S Ward	(appointed 1 December 1999)

DIRECTORS' REPORT

The interests of the directors in office at the year end in the issued share capital of IPC Group Limited and IPC Holdings (UK) Limited at the beginning and end of the year are shown below:

	IPC Group Limited A Ordinary shares of 1p each		IPC Group Limited A Preference shares of 1p each		IPC Holdings (UK) Limited Preference shares of £1 each	
	1 October 1998	30 September 1999	1 October 1998	30 September 1999	1 October 1998	30 September 1999
S J Auton	9,973	9,973	90,027	90,027	-	-
R R Carayol	9,973	9,973	90,027	90,027	200	200
A McDuff	9,973	9,973	90,027	90,027	200	200
C M Reeves-Smith	9,973	9,973	90,027	90,027	200	200
D Stam	9,973	9,973	90,027	90,027	-	-
A D Tanner	9,973	9,973	90,027	90,027	200	200

None of the other directors in office at the end of the year had any beneficial interest in the share capital of the company or other group companies at any time during the year except as disclosed in the accounts of the company's ultimate parent company IPC Group Limited.

YEAR 2000

A group wide project has been undertaken with the objective of ensuring all business critical systems and equipment are Year 2000 compliant.

There can be no guarantee that all Year 2000 problems will be pre-empted but the steps taken by the group together with assurances from suppliers and customers should minimise the vulnerability of our software and systems. Contingency plans are in place to minimise the risk arising from inadequate preparations by third parties. As at the date of this report there has been no disruption to the normal operations of the business.

The total cost to the group of the project to address the Year 2000 issue is forecast to be approximately £4.4m, with £3.8m expended to date and a further £0.6m expenditure budgeted for compliance assurance to March 2000.

EURO

Whilst the UK remains outside the European Monetary Union, the only effect on the business of the introduction of the Euro is as an additional trading currency.

The company's systems are able to process multi-currency dealings. Additionally, a Euro currency bank account has been opened to enable the company to handle receipts and payments.

EMPLOYEE PARTICIPATION

Employees are encouraged to become aware of the financial and economic factors which affect the company and its ability to compete in the marketplace. The individual contributions of staff are recognised as being essential to the future success of the business.

Staff are informed of the performance and prospects of the company, together with financial information, by means of regular bulletins, notice boards and by management meetings. Detailed reviews and items of interest are provided to staff and pensioners by the company magazine, IPC News, and a director is responsible for internal communications. The company has an established staff council which met regularly during the year.

DIRECTORS' REPORT

DISABLED PERSONS

It is the policy of the company to consider the skills and aptitudes of disabled persons fully and fairly at all times in recruitment, career development, training and promotion. In pursuing this policy and having special concern for employees who become disabled, all practical measures are taken to ensure that disabled persons are placed in jobs suited to their individual circumstances.

STATEMENT OF 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 as at the end of the financial year and of the profit or loss of the company for that period. 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;
- prepare the financial statements 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 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.

AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

J F Gore
Company Secretary
28 January 2000

REGISTERED OFFICE

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AUDITORS' REPORT TO THE MEMBERS OF IPC MAGAZINES LIMITED

We have audited the financial statements on pages 5 to 16 which have been prepared under the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Chartered Accountants and
Registered Auditors

24 January 2000

Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR

PROFIT AND LOSS ACCOUNT
Year ended 30 September 1999

	Note	Year ended 30 September 1999 £'000	Nine months ended 30 September 1998 as restated (see note 8) £'000
TURNOVER	2	350,850	250,437
Continuing operations		334,802	250,437
Acquisitions		16,048	-
Cost of sales		(180,559)	(130,332)
Gross profit		170,291	120,105
Sales and distribution costs		(73,323)	(44,402)
Administrative expenses	3	(43,129)	(31,087)
Other operating income		169	146
OPERATING PROFIT		54,008	44,762
Continuing operations		53,104	44,762
Acquisitions		904	-
Income from participating interests		2,000	1,563
		56,008	46,325
Interest receivable		690	879
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		56,698	47,204
Tax on profit on ordinary activities	7	-	(711)
RETAINED SURPLUS FOR THE YEAR/PERIOD	16	56,698	46,493

There are no recognised gains or losses for the current financial year and preceding financial period other than as stated in the profit and loss account. The historical cost profits and losses are not materially different from the results disclosed above. A reconciliation of movements in shareholders' funds is set out in note 16 to the accounts.

The notes on pages 8 to 16 form an integral part of these financial statements.

BALANCE SHEET
30 September 1999

	Note	1999 £'000	1998 as restated (see note 8) £'000
FIXED ASSETS			
Intangible assets	8	40,092	21,118
Tangible assets	9	22,947	26,362
Investments	10	75,955	75,955
		138,994	123,435
CURRENT ASSETS			
Stocks	11	6,368	5,927
Debtors: amounts falling due within one year	12	153,713	47,903
Debtors: amounts falling due after more than one year	12	4,695	49,657
Cash at bank and in hand		30,676	17,820
		195,452	121,307
CREDITORS: amounts falling due within one year	13	(91,712)	(49,204)
NET CURRENT ASSETS		103,740	72,103
TOTAL ASSETS LESS CURRENT LIABILITIES		242,734	195,538
CREDITORS: amounts falling due after more than one year	13	(4,610)	(13,076)
PROVISIONS FOR LIABILITIES AND CHARGES	14	-	(1,036)
NET ASSETS		238,124	181,426
CAPITAL AND RESERVES			
Called up share capital	15, 16	2,580	2,580
Share premium account	16	112,887	112,887
Other reserves	16	2,318	2,318
Profit and loss account	16	120,339	63,641
EQUITY SHAREHOLDERS' FUNDS		238,124	181,426

These financial statements were approved by the Board of Directors on 28 January 2000.

Signed on behalf of the Board of Directors

W R Aley

Director

NOTES TO THE ACCOUNTS
Year ended 30 September 1999

1. **ACCOUNTING POLICIES**

Basis of accounting

The financial statements are presented for the company as an individual undertaking. The company is not required to prepare group financial statements under Section 228 of the Companies Act 1985 because its parent undertaking is established under the law of a member State of the European Union.

Under the provisions of Financial Reporting Standard 1 - "Cash Flow Statements", the company has not prepared a cash flow statement because its ultimate parent company, IPC Group Limited, which is incorporated in Great Britain, has prepared consolidated accounts.

These financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

Intangible assets

Following the implementation of FRS 10, 'Goodwill and intangible assets', publishing rights are stated at fair value on acquisition and are amortised on a straight line basis over their useful economic life up to a maximum of 20 years. Goodwill arising on the acquisition of the trade or assets of a business, being the difference between the fair value of the assets acquired and the consideration paid, is also amortised on a straight line basis over its useful economic life up to a maximum of 20 years.

Tangible fixed assets and depreciation

Tangible fixed assets are stated in the balance sheet at cost less accumulated depreciation. Depreciation is provided on a basis that will write off the book value of fixed assets on a straight line basis over their expected lives. The depreciation rates range from $6\frac{2}{3}\%$ to $33\frac{1}{3}\%$ for plant and equipment, and $6\frac{2}{3}\%$ to $12\frac{1}{2}\%$ for fixtures and fittings.

Investments

Investments are stated at cost less provision, if appropriate, for any impairment in value.

Stocks

Stock is stated at the lower of cost, including attributable overheads and estimated net realisable value.

Taxation

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of income and expenditure in tax computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

Development spend

Development spend on the launch of new products or services is expensed to the profit and loss account as incurred. The cost of developing software for use internally may be capitalised and written off over its estimated useful life.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Operating leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

NOTES TO THE ACCOUNTS
Year ended 30 September 1999

1. **ACCOUNTING POLICIES (continued)**

Pensions

The company operates both defined benefit and defined contribution pension schemes:

For defined benefit schemes, the expected costs of pensions in respect of the scheme are charged to the profit and loss account so as to spread the costs over the service lives of employees in the scheme. Actuarial surpluses and deficits are allocated over the average expected remaining service lives of employees.

For defined contribution schemes, the pension cost charged to the profit and loss account represents contributions payable by the company to the relevant funds.

2. **TURNOVER**

	Year ended 30 September 1999 £'000	Nine months ended 30 September 1998 £'000
The analysis of the company's turnover by geographical market is as follows:		
United Kingdom	331,080	237,652
Europe	11,189	7,132
Rest of the world	8,581	5,653
Total	350,850	250,437

All turnover is derived principally from the company's main activity, magazine publishing, in the United Kingdom.

It is not appropriate to analyse operating profit or net assets attributable to geographical market as the company operates principally from one geographic location.

3. **ADMINISTRATIVE EXPENSES**

Exceptional item

Exceptional reorganisation costs of £5.5 million (1998 - £nil) were incurred on restructuring the company during the year resulting in the creation of five independent publishing businesses and anticipated ongoing annualised cost savings of £6 million.

NOTES TO THE ACCOUNTS
Year ended 30 September 1999

3. ADMINISTRATIVE EXPENSES (continued)

Other items include:

	Year ended 30 September 1999 £'000	Nine months ended 30 September 1998 £'000
Profit on ordinary activities before taxation is after charging:		
Depreciation of owned tangible assets	8,887	6,905
Amortisation of goodwill and intangible assets	2,663	1,389
Auditors' remuneration		
Audit fees	36	34
Non audit fees	45	28
Operating lease rentals	5,148	4,052
Research and development costs	2,769	1,413

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	Year ended 30 September 1999 £'000	Nine months ended 30 September 1998 £'000
Staff costs (including directors)		
Wages and salaries, including exceptional redundancy costs	62,814	41,635
Social security costs	4,637	3,528
Pensions	1,887	2,860
	69,338	48,023

	1999 No.	1998 No.
Average number of persons employed		
Editorial	836	811
Sales and distribution	177	177
Administration and finance	978	863
	1,991	1,851

5. DIRECTORS' EMOLUMENTS

	Year ended 30 September 1999 £'000	Nine months ended 30 September 1998 £'000
Payments to directors of the company:		
Salary	1,244	913
Benefits	117	68
Annual performance related bonus	70	126
Pensions	17	-
Total emoluments	1,448	1,107

NOTES TO THE ACCOUNTS
Year ended 30 September 1999

5. DIRECTORS' EMOLUMENTS (continued)

The number of directors accruing benefits at the year end in respect of defined benefit pension schemes is 10 (1998 - 10). The number of directors accruing benefits at the year end in respect of defined contribution pension schemes is one (1998 – one).

Analysis of the emoluments (excluding pension contributions) of the highest paid director:

	Year ended 30 September 1999 £'000	Nine months ended 30 September 1998 £'000
Emoluments	250	195
Accrued pension at year end	116	109

6. PENSION

The company operates a number of pension schemes. The principal scheme, the IPC Magazines Pension Scheme covers 94% of scheme members and is of the defined benefit type. The assets of all schemes are held in separate trustee-administered funds.

The total pension cost for the company was £1,887,000; (1998 - £2,860,000).

The pension cost of the IPC Magazines Pension Scheme has been assessed in accordance with the advice of a qualified actuary using the projected unit method. The latest actuarial assessment was as at 18 February 1998. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment return would be 7% per annum, that salary increases would average 4.5% per annum and that present and future pensions would increase at the rate of 3% per annum.

At the date of the latest actuarial valuation, the market value of the assets of the IPC Magazines Pension Scheme was £110.8m and the actuarial value of the assets was sufficient to cover 133% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 30 September 1999 £'000	Nine months ended 30 September 1998 £'000
United Kingdom corporation tax at 31% (1998 – 31%) based on the profit for the year	-	(976)
Deferred taxation	-	265
	-	(711)

There is no tax charge for the year as profits have been offset by losses surrendered from other group companies for which no consideration is payable.

NOTES TO THE ACCOUNTS
Year ended 30 September 1999

8. INTANGIBLE FIXED ASSETS

		Publishing rights £'000	Goodwill £'000	Total £'000
Cost				
At 1 October 1998		37,036	-	37,036
Link House acquisition	(see note 20)	-	21,637	21,637
		37,036	21,637	58,673
Accumulated amortisation				
At 1 October 1998 (as restated)		15,918	-	15,918
Amortised during the year		1,852	811	2,663
At 30 September 1999		17,770	811	18,581
Net book amount				
At 30 September 1999		19,266	20,826	40,092
At 30 September 1998		21,118	-	21,118

Following the introduction of FRS10 the company has changed its accounting policy in relation to the amortisation of publishing rights. Under the new accounting policy publishing rights, previously not amortised, are now amortised over their useful economic life. The prior year adjustment to restate existing publishing rights to their historical written down value at 1 January 1998 has resulted in a reduction of £1,389,000 in the profit before tax for the nine months ended 30 September 1998 and a reduction in net assets at 30 September 1998 of £15,918,000.

9. TANGIBLE FIXED ASSETS

	Freehold property £'000	Plant and equipment £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 October 1998	-	47,098	21,976	69,074
Additions	-	4,984	398	5,382
Disposals	(250)	(1,158)	-	(1,408)
Link House acquisition (see note 20)	250	1,380	481	2,111
At 30 September 1999	-	52,304	22,855	75,159
Accumulated depreciation				
At 1 October 1998	-	31,682	11,030	42,712
Charge for the year	-	6,693	2,194	8,887
Disposals	-	(806)	-	(806)
Link House acquisition (see note 20)	-	1,137	282	1,419
At 30 September 1999	-	38,706	13,506	52,212
Net book amount				
At 30 September 1999	-	13,598	9,349	22,947
At 30 September 1998	-	15,416	10,946	26,362

There were no capital commitments outstanding at 30 September 1999; (1998: nil).

NOTES TO THE ACCOUNTS
Year ended 30 September 1999

10. FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings £'000
Cost	
At 1 October 1998 and 30 September 1999	117,373
Provisions	
At 1 October 1998 and 30 September 1999	(41,418)
Net book value	
At 30 September 1999 and 30 September 1998	75,955

Interests in the share capital of subsidiary undertakings relate to IPC Magazines (Overseas) Limited and dormant companies all of which are wholly owned. The dormant companies hold certain of the publishing rights to magazines published by the company. The principal function of IPC Magazines (Overseas) Limited, which is incorporated in Great Britain, is to hold shares in the French joint venture company Avantages SA and shares in IPC Magazines Australia Holdings Pty Ltd, which holds a 50% interest in IPC ACP Australia Pty Limited, a joint venture with ACP Publishing Pty Limited. IPC Magazines (Overseas) Limited is located at Kings Reach Tower, Stamford Street, London SE1 9LS.

IPC Magazines Limited has a joint venture interest in European Magazines Limited by virtue of its 50% ownership of the company's £100 issued share capital. This interest is included within fixed asset investments at its original cost of £50. European Magazines Limited's principal activity is magazine publishing. European Magazines Limited made a profit before tax of £4,732,000 (unaudited) for the year ended 30 September 1999, and had total shareholders' funds of £1,211,000 (unaudited). The year end for European Magazines Limited is 31 December. European Magazines Limited is incorporated in Great Britain.

In the opinion of the directors, the aggregate value of the company's investments is not worth less than the aggregate amount shown above.

11. STOCKS

	1999 £'000	1998 £'000
Raw materials and consumables	6,368	5,878
Work in progress	-	49
	6,368	5,927

NOTES TO THE ACCOUNTS
Year ended 30 September 1999

12. DEBTORS

	1999 £'000	1998 £'000
Amounts falling due within one year:		
Trade debtors	43,376	35,701
Amounts owed by group undertakings	101,764	932
Amounts owed by undertakings in which the company or its subsidiary has a participating interest	418	367
Other debtors	2,793	6,193
Prepayments and accrued income	5,362	4,710
	153,713	47,903

	1999 £'000	1998 £'000
Amounts falling due after more than one year:		
Amounts owed by intermediate and immediate parent companies	4,695	49,657
	4,695	49,657

13. CREDITORS

	1999 £'000	1998 £'000
Amounts falling due within one year:		
Trade creditors	45,622	35,631
Amounts owed to associated undertaking	535	-
Amounts owed to group undertakings	31,188	-
Other creditors	2,132	2,489
Taxation and social security	1,851	2,221
Accruals and deferred income	10,384	8,863
	91,712	49,204

	1999 £'000	1998 £'000
Amounts falling due after more than one year:		
Accrued pension costs	4,610	2,860
Amounts owed to subsidiary undertakings	-	10,216
	4,610	13,076

NOTES TO THE ACCOUNTS
Year ended 30 September 1999

14. PROVISIONS FOR LIABILITIES AND CHARGES

	Pensions £'000	Other £'000	Total £'000
At 1 October 1998	28	1,008	1,036
Utilised	(28)	(60)	(88)
Transferred to accruals	-	(948)	(948)
At 30 September 1999	-	-	-

During the year, accruals for legal costs were reclassified as accruals in order to comply with Financial Reporting Standard 12 (FRS 12).

15. CALLED UP SHARE CAPITAL

	1999 £'000	1998 £'000
Authorised:		
3,230,000 ordinary shares of £1 each	3,230	3,230
Allotted, called up and fully paid:		
2,580,000 ordinary shares of £1 each	2,580	2,580

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES

	Share capital	Share premium account	Other reserves	Profit and loss account	Total 1999
	£'000	£'000	£'000	£'000	£'000
Balance at start of year:					
As previously reported	2,580	112,887	2,318	79,559	197,344
Prior period adjustment	-	-	-	(15,918)	(15,918)
As restated	2,580	112,887	2,318	63,641	181,426
Profit for the year	-	-	-	56,698	56,698
At end of year	2,580	112,887	2,318	120,339	238,124

17. PARENT UNDERTAKINGS

As at 30 September 1999, the company's immediate parent undertaking was IPC Magazines Holdings Limited, and its ultimate parent undertaking was IPC Group Limited. Both of these parent undertakings are incorporated in Great Britain and registered in England and Wales.

Copies of the consolidated financial statements of IPC Group Limited may be obtained from The Company Secretary, King's Reach Tower, Stamford Street, London, SE1 9LS.

NOTES TO THE ACCOUNTS
Year ended 30 September 1999

18. RELATED PARTY TRANSACTIONS

There were no material transactions during the year between the company and its associated undertakings other than those disclosed in these accounts.

The company has taken advantage of the exemption granted under paragraph 3(c) of Financial Reporting Standard 8 not to disclose transactions with entities that are part of the IPC Group Limited group.

JLR Sales and Marketing Co. Ltd.

The directors consider this company to be a related party by virtue of the fact that it is owned by P Bailey, husband of S Bailey, a director of the company.

During the year JLR Sales and Marketing Co. Ltd provided promotional materials to the value of £0.7m (1998 – nil) and as at 30 September 1999 £0.1m was owed by the company to JLR Sales and Marketing Co. Ltd (1998 – nil).

Joint ventures

During the year the company sold goods and provided management and other services to European Magazines Limited. The total value of these transactions was £7.4m (Nine month period ended 30 September 1998 - £5.0m) and as at 30 September 1999 the company owed £0.5m (1998 – was owed £0.2m by) European Magazines Limited.

The company also charged royalties totalling £0.5m (Nine month period ended 30 September 1998 - £0.5m) to Avantages SA and as at 30 September 1999 the company was owed £0.1m (1998 - £0.1m) by Avantages SA.

A number of expenses were paid by the company on behalf of its Australian joint venture IPC ACP Australia Pty Limited, as at 30 September 1999 the company was owed £0.3m (1998 - £nil) in respect of the reimbursement of such expenses.

Ultimate controlling party

The ultimate controlling party of IPC Group Limited is Cinven Limited as fund manager.

The directors are satisfied that all related party transactions were carried out on an arm's length basis.

19. OPERATING LEASE COMMITMENTS

	Land and buildings 1999 £'000	Land and buildings 1998 £'000
Leases which expire:		
Within one year	75	-
Within two to five years	1,087	820
After five years	4,067	4,045
	5,229	4,865

NOTES TO THE ACCOUNTS
Year ended 30 September 1999

20. ACQUISITION OF LINK HOUSE

On 1 January 1999, the company acquired the business and the majority of the assets and liabilities of Link House Magazines Limited (the "Link House business").

The table below sets out the purchased goodwill arising on the purchase of the Link House business, being the difference between the fair value of the assets and liabilities acquired and the total consideration.

The consideration was satisfied by an interest free loan from Link House Magazines Limited.

	Book value and fair value £'000
Tangible assets	692
Debtors	4,551
Cash	31
Other	(3)
Creditors: amounts falling due in less than one year	(6,664)
Creditors: amounts falling due in more than one year	(28)
	(1,421)
Consideration	20,216
Goodwill (see note 8)	21,637