

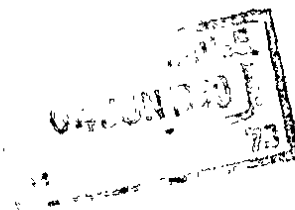
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PRIVATE AND CONFIDENTIAL

ACCOUNTS

GLASS'S GUIDE SERVICE LIMITED
and subsidiary companies

31st December 1989

717446



SPICER & OPPENHEIM

A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL

REPORT OF THE DIRECTORS

The directors submit their report and the audited accounts for the year ended 31st December 1989.

PRINCIPAL ACTIVITY

The principal activity of the company and its subsidiaries is the publication of data to the used vehicle and allied trades in the United Kingdom, Australia, and the European Community.

REVIEW OF THE BUSINESS

Despite a reasonably healthy level of new unit sales of vehicles, there was evidence of pressure on vehicle dealer margins, owing to the impact of high interest rates on both professional dealers and consumers. Demand for the company's products remained firm in an increasingly difficult marketplace, with both Car and Commercial Vehicle Guides achieving satisfactory subscription levels.

Enhancement of existing products and the development of new products enabled the company to achieve growth, both in sales and profits, to record new levels. Prospects for 1990 indicate that despite the difficulties the economy is expected to experience, the company is in a good position to maintain its growth.

RESULTS AND DIVIDENDS

Details of the results for the year are set out in the group profit and loss account on page 4.

During the year interim dividends amounting to £2,000,000 (1988 - £2,000,000) were paid. The directors do not recommend the payment of a final dividend (1988 - nil).

LAND AND BUILDINGS

In the directors' opinion the open market value of the group's freehold properties exceeds the amount at which they are stated in the accounts.

POLITICAL AND CHARITABLE CONTRIBUTIONS

Charitable donations amounted to £11,592 (1988 - £9,425).

There were no political contributions in the year.

DIRECTORS

The directors who served during the year and the beneficial and family interests of those serving at the end of the year in the shares and debentures of the group were as follows

REPORT OF THE DIRECTORS

Common shares of
The Thomson Corporation
and related common shares of
The Thomson Corporation p.l.c.
31st December 1989 31st December 1988

Mrs. L.A. Service	(chairman)	-	-
B.G. Paver	(deputy chairman and managing director)	1,000	2,730
L.D.C. Allen		-	-
G.N. Charman		-	-
R.N. Crispe		-	-
M.A. Gill	(resigned 25th July 1989)	-	-
Dr. J.H. Hemming		-	-
P.B. Hunt	(appointed 26th February 1990)	-	-
A.R. Lewis	(appointed 3rd March 1990)	-	-
R.B. Montclare		303	300
J.G. Paul	(appointed 21st August 1989)	-	-
M.F. Poole		-	-
M. Rodenburg	(resigned 3rd March 1990)	-	-
J.G. Woolford	(resigned 31st December 1989)	-	-

No director had any interest in the shares of the company.

TAXATION STATUS

In the opinion of the directors the company is a close company for taxation purposes.

AUDITORS

A resolution to reappoint Spicer & Oppenheim as auditors will be proposed at the Annual General Meeting.

Elgin House
St. George's Avenue
Weybridge
Surrey, KT13 0BX

By order of the board

R.N. Crispe

Secretary

AUDITORS' REPORT TO THE MEMBERS OF GLASS'S GUIDE SERVICE LIMITED

We have audited the financial statements on pages 4 to 17 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31st December 1989 and of the profit and source and application of funds of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

London, EC3

14th March 1990.

[Signature] & *[Signature]*
Chartered Accountants

GROUP PROFIT AND LOSS ACCOUNT
for the year ended 31st December 1989

	Note	1989	1988
TURNOVER	1&2	8,900,478	7,402,048
Staff costs	3	1,643,887	1,459,967
Depreciation and amortisation		307,386	270,006
Other external and operating charges		3,511,536	2,848,729
		<u>5,462,809</u>	<u>4,578,702</u>
OPERATING PROFIT	4	3,437,669	2,823,346
Other interest receivable and similar income	5	451,403	234,961
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>3,889,072</u>	<u>3,058,307</u>
Tax on profit on ordinary activities	7	1,386,180	1,134,576
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION ATTRIBUTABLE TO THE MEMBERS OF GLASS'S GUIDE SERVICE LIMITED	8	2,502,892	1,923,731
Dividends	9	2,000,000	2,000,000
RETAINED PROFIT (LOSS) FOR THE YEAR		<u>502,892</u>	<u>(76,269)</u>
Balance at 1st January 1989		191,652	233,697
Exchange difference arising on translation of the net investment in overseas subsidiaries		30,125	34,224
Balance carried forward at 31st December 1989		<u>£724,669</u>	<u>£191,652</u>

The notes on pages 7 to 16 form an integral part of these accounts.

GROUP BALANCE SHEET
31st December 1989

	Note	1989	1988
FIXED ASSETS			
Intangible assets	10	861,464	887,105
Tangible assets	11	1,571,289	1,437,145
		<u>2,432,753</u>	<u>2,324,250</u>
CURRENT ASSETS			
Debtors	13	1,950,023	1,780,983
Investments	14	8,692	85,201
Cash at bank and in hand		3,915,705	2,637,359
		<u>5,874,420</u>	<u>4,503,543</u>
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	15	(7,389,059)	(6,450,790)
NET CURRENT LIABILITIES		<u>(1,514,639)</u>	<u>(1,947,247)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		918,114	377,003
CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	16	(8,316)	(11,460)
PROVISION FOR LIABILITIES AND CHARGES	17	(83,329)	(72,091)
		<u>£826,469</u>	<u>£293,452</u>
CAPITAL AND RESERVES CALLED UP SHARE CAPITAL	18	100,000	100,000
RESERVES			
Capital reserves		1,800	1,800
Profit and loss account		724,669	191,652
TOTAL RESERVES		<u>726,469</u>	<u>193,452</u>
SHAREHOLDERS' FUNDS		<u>£826,469</u>	<u>£293,452</u>

APPROVED BY THE BOARD OF DIRECTORS

Louisa Sewie

The notes on pages 7 to 16 form an integral part of these accounts.

BALANCE SHEET
31st December 1989

	Note	1989	1988
FIXED ASSETS			
Intangible assets	10	593,224	611,247
Tangible assets	11	913,502	946,489
Investments	12	274,495	274,495
		<u>1,781,222</u>	<u>1,832,231</u>
CURRENT ASSETS			
Debtors	13	1,982,624	1,881,586
Cash at bank and in hand		3,790,554	2,458,330
		<u>5,773,178</u>	<u>4,339,916</u>
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	15	(6,810,206)	(5,905,530)
NET CURRENT LIABILITIES		<u>(1,037,028)</u>	<u>(1,565,614)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>744,594</u>	<u>266,617</u>
PROVISION FOR LIABILITIES AND CHARGES	17	(61,336)	(73,336)
		<u>£683,258</u>	<u>£193,281</u>
CAPITAL AND RESERVES			
CALLED UP SHARE CAPITAL	18	100,000	100,000
RESERVES			
Profit and loss account		<u>583,258</u>	<u>93,281</u>
SHAREHOLDERS' FUNDS		<u>£683,258</u>	<u>£193,281</u>

APPROVED BY THE BOARD OF DIRECTORS

Louisa Service

The notes on pages 7 to 16 form an integral part of these accounts.

NOTES TO THE ACCOUNTS
31st December 1989

1. ACCOUNTING POLICIES

These accounts have been prepared in accordance with the historical cost convention. The principal accounting policies which the directors have adopted within that convention are set out below.

BASIS OF CONSOLIDATION

The group accounts incorporate the accounts of the company and its subsidiaries. All the companies within the group make up their accounts to the same date.

TURNOVER

Turnover represents subscriptions, advertisement income and other sundry sales receivable during the year.

ACCOUNTING FOR SUBSCRIPTIONS

Credit is taken for subscriptions only when cash is received. For the year end accounts that part of the annual subscription which has not expired is carried forward and included in creditors.

TANGIBLE ASSETS AND DEPRECIATION

No depreciation is provided on freehold land held in Australia.

For all other fixed assets depreciation is calculated to write off their cost by equal annual instalments over their estimated useful lives, which are considered to be

Freehold land and buildings held in the United Kingdom	- 67 years
Freehold buildings held in Australia	- 20 years
Fixtures, fittings, equipment and motor vehicles	- 3 to 13 years

INTANGIBLE ASSETS AND AMORTISATION

Goodwill and publishing rights are stated at cost and represent the excess of purchase consideration for businesses or subsidiaries purchased over the value attributable to the net assets acquired. Amortisation is calculated to write off their cost by equal annual instalments over forty years.

NOTES TO THE ACCOUNTS
31st December 1989

1. ACCOUNTING POLICIES continued

FOREIGN CURRENCY

With the exception of goodwill and publishing rights, all assets and liabilities in foreign currencies have been translated into sterling at approximate year end rates. The results for the year have been translated at the average rate for the year. Unrealised gains and losses arising from translation of the net investment in overseas subsidiaries are dealt with through reserves. Other foreign currency gains and losses are dealt with in arriving at the trading profit.

DEFERRED TAXATION

Provision is made for tax deferred by the effect of timing differences to the extent that it is probable that a liability will crystallize in the foreseeable future.

Deferred taxation in the group accounts has been reduced by anticipated future tax benefits arising in subsidiary companies.

No provision has been made for taxation which might arise in the event of distribution of the retained profits of overseas subsidiaries.

PENSION SCHEME

The group operates a defined benefit funded pension scheme covering the majority of its employees. An actuarial valuation of the scheme is carried out by an independent professionally qualified actuary every three years. The cost of the pension scheme is charged to the profit and loss account over the expected service lives of participating employees.

The accounting policy follows the funding policy except where the actuarial valuation gives rise to a deficiency or a surplus. Such surpluses or deficiencies are for funding purposes dealt with as advised by the actuary. For accounting purposes they are spread over the expected service lives of the participating employees. The current actuarial valuation does not give rise to such a surplus or deficiency.

2. ANALYSIS OF TURNOVER

1989

1988

The turnover attributable to each of the group's geographical markets is

United Kingdom	7,760,534	6,468,850
Australasia	883,608	690,353
Other EEC countries	256,336	242,845

£8,900,478	£7,402,048
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The activities of the group lie chiefly within the publishing sector.

NOTES TO THE ACCOUNTS
31st December 1989

3. EMPLOYEES	1989	1988
The average number employed was	97	95
The principal activity of the company was publishing.		
The costs incurred in respect of these employees were		
Wages and salaries	1,363,469	1,212,714
Social security costs	193,908	164,897
Other pension costs	86,510	82,356
	<u>£1,643,887</u>	<u>£1,459,967</u>
4. OPERATING PROFIT		
Operating profit is arrived at after charging		
Auditors' remuneration	<u>£23,212</u>	<u>£19,908</u>
5. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME		
Bank deposit interest	<u>£451,403</u>	<u>£234,961</u>
6. DIRECTORS		
Emoluments of directors of the holding company were		
Management remuneration	359,443	279,451
Pension to former director in respect of services as director	<u>6,600</u>	<u>6,300</u>
	<u>£366,043</u>	<u>£285,751</u>

NOTES TO THE ACCOUNTS
31st December 1989

6. DIRECTORS continued	1989	1988
The chairman received no remuneration from the company (1988 - £nil).		
The emoluments, excluding pension contributions, of directors were as follows		
Highest paid director	£79,582	£63,899
	<hr/>	<hr/>
	<u>No. of directors</u>	
Other directors		
£ 0 - £5,000	five	five
£ 5,001 - £10,000	none	none
£15,001 - £20,000	none	none
£20,001 - £25,000	none	none
£25,001 - £30,000	none	one
£30,001 - £35,000	none	one
£35,001 - £40,000	one	one
£40,001 - £45,000	one	one
£45,001 - £50,000	one	none
£50,001 - £55,000	one	one
£65,001 - £70,000	one	none
	<hr/>	<hr/>
7. TAXATION		
Taxation is based on the profits for the year and comprises		
Corporation tax at 35% on taxable profit	1,377,594	1,089,334
Overseas taxation (including deferred taxation)	20,586	70,135
Transfer (from) to deferred taxation (United Kingdom)	(12,000)	(12,565)
	<hr/>	<hr/>
	1,386,180	1,146,904
Underprovision (over) for earlier years		
UK Corporation tax	-	(43,748)
UK deferred tax	-	31,420
	<hr/>	<hr/>
	£1,386,180	£1,134,576
	<hr/>	<hr/>
8. PROFIT FOR THE YEAR ATTRIBUTABLE TO THE MEMBERS OF GLASS'S GUIDE SERVICE LIMITED		
Dealt with in the accounts of the holding company	£2,489,977	£1,932,117
	<hr/>	<hr/>
The company has taken advantage of S.228(7) of the Companies Act 1985 and consequently a profit and loss account for the company alone is not presented.		

NOTES TO THE ACCOUNTS
31st December 1989

9. DIVIDENDS

Dividends paid and proposed on 'A'
and 'B' ordinary shares

	1989	1988	1989	1988
	<u>Pence per share</u>			
First interim dividend	600p	600p	600,000	600,000
Second interim dividend	600p	600p	600,000	600,000
Third interim dividend	500p	600p	500,000	600,000
Fourth interim dividend	300p	200p	300,000	200,000
	<u>2,000p</u>	<u>2,000p</u>	<u>£2,000,000</u>	<u>£2,000,000</u>

10. INTANGIBLE ASSETS

	<u>Publishing rights</u>	<u>Goodwill on consolidation</u>	<u>TOTAL</u>
GROUP COST			
At 1st January 1989 and 31st December 1989	746,916	274,787	1,021,703
AMORTISATION			
At 1st January 1989	112,331	22,267	134,598
Provided for in the year	18,773	6,868	25,641
	<u>131,104</u>	<u>29,135</u>	<u>160,239</u>
At 31st December 1989			
BALANCE SHEET VALUE			
At 31st December 1989	£615,812	245,652	£861,464
	<u>£634,585</u>	<u>252,520</u>	<u>£887,105</u>
At 31st December 1988			
COMPANY COST			
At 1st January 1989 and 31st December 1989	719,115	-	719,115
AMORTISATION			
At 1st January 1989	107,868	-	107,868
Provided for in the year	18,022	-	18,022
	<u>125,890</u>	<u>-</u>	<u>125,890</u>
At 31st December 1989			
BALANCE SHEET VALUE			
At 31st December 1989	£593,225	-	£593,225
	<u>£611,247</u>	<u>-</u>	<u>£611,247</u>
At 31st December 1988			

NOTES TO THE ACCOUNTS
31st December 1989

11. TANGIBLE ASSETS

GROUP COST	Freehold land and buildings	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	TOTAL
At 1st January 1989	792,028	496,505	533,133	333,432	2,155,098
Reclassification	-	181,751	(181,751)	-	-
Exchange adjustments	26,149	12,850	15,071	5,746	59,816
Additions	-	195,068	22,711	233,405	451,184
Disposals	-	(7,287)	(7,045)	(156,316)	(170,648)
At 31st December 1989	818,177	878,887	382,119	416,267	2,495,450
DEPRECIATION					
At 1st January 1989	34,435	332,701	261,947	88,870	717,953
Reclassification	-	117,387	(117,387)	-	-
Exchange adjustments	290	5,433	7,788	1,095	14,606
Disposals	-	(7,287)	(6,304)	(76,472)	(90,063)
Provided for in the year	8,190	154,717	36,152	82,606	281,665
At 31st December 1989	42,915	602,951	182,196	96,099	924,161
BALANCE SHEET VALUE					
At 31st December 1989	£775,262	275,936	199,923	320,168	£1,571,289
At 31st December 1988	£757,593	163,804	271,186	244,562	£1,437,145
COMPANY COST					
At 1st January 1989	466,806	491,214	295,509	285,818	1,539,347
Reclassification	-	98,757	(98,757)	-	-
Additions	-	44,699	7,436	179,220	231,355
Disposals	-	-	-	(137,003)	(137,003)
At 31st December 1989	466,806	634,670	204,188	328,035	1,633,699
DEPRECIATION					
At 1st January 1989	31,432	331,675	153,134	76,617	592,858
Reclassification	-	77,157	(77,157)	-	-
Disposals	-	-	-	(71,262)	(71,262)
Provided for in the year	7,002	94,802	19,895	76,502	198,201
At 31st December 1989	38,434	503,634	95,872	81,857	719,797
BALANCE SHEET VALUE					
At 31st December 1989	£428,372	131,036	108,316	246,178	£913,902
At 31st December 1988	£435,374	159,539	142,375	209,201	£946,489

NOTES TO THE ACCOUNTS
31st December 1989

11. TANGIBLE ASSETS continued		
FUTURE CAPITAL EXPENDITURE	1989	1988
Contracted for but not provided in the accounts	£687,000	£88,914
Authorised by the directors but not contracted for	£201,000	£998,000

12. FIXED ASSETS - INVESTMENTS		
Shares in group companies		
At 1st January 1989 and 31st December 1989	£274,495	£274,495

The shares held by Glass's Guide Service Limited in the principal subsidiary companies are as follows

<u>Company</u>	<u>Country of incorporation</u>	<u>% of share capital held</u>	
Glass's Dealers Guide Pty. Limited	Australia	100	100
A\$1 per share			
Editions Professionelles Glass France S.A.R.L.	France	100	100
F.Fr 100 per share			

NOTES TO THE ACCOUNTS
31st December 1989

13. DEBTORS	1989	1988	1989	1988
	Group		Company	
Trade debtors	156,115	123,989	125,774	91,355
Prepayments	393,908	256,994	253,672	163,893
Amount due from subsidiary companies	-	-	203,178	226,338
Amount due from holding company	714,000	714,000	714,000	714,000
Amount due from minority shareholder Hemming Publishing Limited	686,000	686,000	686,000	686,000
	<u>£1,950,023</u>	<u>£1,780,983</u>	<u>£1,982,624</u>	<u>£1,881,586</u>
14. CURRENT ASSETS - INVESTMENTS				
Listed on a recognised Stock Exchange			Group	
Cost			£8,692	£85,201
Market value			£8,985	£88,407
15. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR				
	Group		Company	
Amounts owed to group companies	1,119,059	974,273	1,119,059	970,273
Obligations under finance leases	4,066	3,213	-	-
Accruals	290,503	157,522	249,633	118,418
Deferred income	3,871,954	3,493,134	3,392,909	3,094,888
Sundry creditors	85,932	108,814	31,060	26,322
Taxation	2,017,545	1,713,834	2,017,545	1,695,629
	<u>£7,389,059</u>	<u>£6,450,790</u>	<u>£6,810,206</u>	<u>£5,905,530</u>
16. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR				
Obligations under finance leases amounts falling due in the second to fifth years inclusive			Group	
			£8,316	£11,460

NOTES TO THE ACCOUNTS
31st December 1989

17. PROVISION FOR LIABILITIES AND CHARGES

	1989	1988	1989	1988
	<u>Group</u>		<u>Company</u>	
DEFERRED TAXATION				
At 1st January 1989	72,091	704,541	73,336	740,248
Charge (release) for the year	(12,000)	18,855	(12,000)	18,855
Decrease in provision for tax payable more than one year ahead	-	(685,767)	-	(685,767)
Decrease in taxation paid on subscriptions received in advance in subsidiaries	23,238	34,462	-	-
At 31st December 1989	<u>£83,329</u>	<u>£72,091</u>	<u>£61,336</u>	<u>£73,336</u>
The sources of the balance on deferred tax account are as follows				
United Kingdom				
Capital allowances in excess of depreciation	37,922	56,284	37,922	56,284
Short-term timing differences	23,414	17,052	23,414	17,052
	<u>61,336</u>	<u>73,336</u>	<u>61,336</u>	<u>73,336</u>
Overseas				
Timing differences	21,993	(1,245)	-	-
	<u>£83,329</u>	<u>£72,091</u>	<u>£61,336</u>	<u>£73,336</u>
Unprovided deferred taxation on chargeable gains deferred by roll-over relief	<u>£44,100</u>	<u>£44,100</u>	<u>£44,100</u>	<u>£44,100</u>

18. CALLED UP SHARE CAPITAL

	1989	1988
Authorised, allotted and fully paid		
51,000 'A' shares of £1 each	51,000	51,000
49,000 'B' shares of £1 each	49,000	49,000
	<u>£100,000</u>	<u>£100,000</u>

NOTES TO THE ACCOUNTS
31st December 1989

19. PENSION SCHEME

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company.

The scheme is administered by the trustees and the contributions of the fund are applied as premiums under a pension contract with the Provident Life Assurance Association. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the current unit method. The most recent valuation was at 30th June 1987. The assumptions which had the most significant effect on the results of the valuation were those concerning the annual rates of return on investments and the annual rates of increase in pensionable earnings. The assumptions used involved the former exceeding the latter with the difference between the two assumed annual rates being 0.5%.

The pension charge for the period was 1989 - £86,510 (1988 - £82,356).

The most recent actuarial valuation showed that the market value of the scheme's assets was £708,000 and that the actuarial value of those assets covered the benefits that had accrued to members after allowing for expected future increases in earnings. The contributions of the company and employees are at 10.5% and 5.0% of earnings respectively.

20. ULTIMATE HOLDING COMPANY

The ultimate holding company of Glass's Guide Service Limited is The Thomson Corporation, a company incorporated under the laws of the Province of Ontario.

SOURCE AND APPLICATION OF FUNDS
for the year ended 31st December 1989

	1989	1988
SOURCE OF FUNDS		
Profit before taxation	3,889,072	3,058,307
Items not involving the movement of funds		
Depreciation and amortisation	307,306	270,008
Disposal of fixed assets at net book value	80,585	54,965
Exchange differences	(15,085)	(44,022)
	<u>372,806</u>	<u>280,951</u>
FUNDS GENERATED FROM OPERATIONS	4,261,378	3,339,258
APPLICATION OF FUNDS		
Capital expenditure	451,184	317,691
Dividends paid	2,000,000	2,000,000
Tax paid	1,092,469	1,180,632
	<u>(3,543,653)</u>	<u>(3,498,323)</u>
INCREASE (DECREASE) IN WORKING CAPITAL	£718,225	£(159,065)
Financed as follows		
(Increase) in creditors	(652,652)	(1,570,460)
Increase in debtors	172,178	181,736
Increase in bank balances	1,278,346	1,205,953
(Decrease) increase in current asset investments	(76,509)	23,706
	<u>£718,225</u>	<u>£(159,065)</u>