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Accounts

GLASS'S GUIDE SERVICE LIMITED
and subsidiary companies

31st December 1985



COMPANIES REGISTRARS
11 DEC 1985
Spicer and Pegler
Chartered Accountants

Accounts

GLASS'S GUIDE SERVICE LIMITED
and subsidiary companies

31st December 1985



Spicer and Pegler
Chartered Accountants

REPORT OF THE DIRECTORS

The directors submit their report and the audited accounts for the year ended 31st December 1985.

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, South Africa and the European Economic Community territories.

REVIEW OF THE BUSINESS

Motor dealer profit margins remained under severe pressure in the UK, France and South Africa, whilst the Australian market continued relatively buoyant. Our UK, Australian and South African businesses achieved record sales and profits, and our French business produced satisfactory results from its activities. Four new revenue providing services were successfully launched in the United Kingdom and one in France. Towards the end of the year all the share capital of The Palgrave Publishing Company Limited was acquired. Publications produced by this company will provide a platform for further growth in the future.

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 £700,000 (1984 - £1,000,000) were paid. The directors do not recommend the payment of a final dividend (1984 - 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 £1,200 (1984 - £1,150).

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 continued

Common shares of International
Thomson Organisation Limited
and related common shares of
International Thomson Organisation p.l.c.
31st December

	1985	1984
Mrs. L.A. Service (chairman)	-	-
B.G. Paver (deputy chairman and chief executive)	2,730	2,730
Dr. J.H. Hemming	-	-
M.W. Lacey	-	-
R.B. Montclare	-	-
M. Rodenburg	-	-
M. Bird (resigned 12th December 1985)	-	-
I.K. Burns (resigned 17th June 1985)	-	-
L.D.C. Allen	-	-
M.A. Gill (appointed 5th July 1985)	-	-
G.N. Charman (appointed 17th July 1985)	-	-
G. Paul (appointed 12th December 1985)	-	-

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

TAXATION STATUS

The company is a close company within the meaning of the Income and Corporation Taxes Act 1970 (as amended).

AUDITORS

A resolution to reappoint the auditors, Spicer and Pegler, will be proposed at the Annual General Meeting.

Elgin House,
St. George's Avenue
Weybridge
Surrey
8th April 1986

By order of the board

R.N. Crispe

Secretary

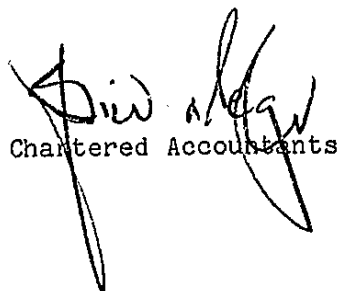
AUDITORS' REPORT TO THE MEMBERS OF GLASS'S GUIDE SERVICE LIMITED

We have audited the financial statements on pages 4 to 16 in accordance with approved Auditing Standards.

In our opinion the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of affairs of the company and the group at 31st December 1985 and of the profit and source and application of funds of the group for the year then ended and comply with the Companies Act 1985.

London EC3

8th April 1986


Chartered Accountants

GROUP PROFIT AND LOSS ACCOUNT
for the year ended 31st December 1985

	Note	1985	1984
TURNOVER	2	5,059,316	4,685,454
Staff costs	4	1,026,984	958,159
Depreciation and amortisation		165,006	117,057
Other external and operating charges		1,936,529	1,825,998
		<u>3,128,519</u>	<u>2,901,214</u>
OPERATING PROFIT	3	1,930,797	1,784,240
Other interest receivable and similar income		196,493	108,800
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>2,127,290</u>	<u>1,893,040</u>
Tax on profit on ordinary activities	6	953,803	889,293
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>1,173,487</u>	<u>1,003,747</u>
of which £1,156,417 (1984 - £1,019,238) is dealt with in the accounts of the holding company			
Dividends	7	700,000	1,000,000
RETAINED PROFIT FOR THE YEAR	16	<u>£473,487</u>	<u>£3,747</u>

The notes on pages 7 to 15 form an integral part of these accounts.

GROUP BALANCE SHEET
31st December 1985

	Note	1985	1984
FIXED ASSETS			
Intangible assets	8	1,098,485	879,881
Tangible assets	9	1,322,735	619,412
		<u>2,421,220</u>	<u>1,499,293</u>
CURRENT ASSETS			
Debtors	11	1,664,895	1,605,750
Investments	12	51,858	-
Cash at bank and in hand		718,799	771,580
		<u>2,435,552</u>	<u>2,377,330</u>
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	13	(3,350,431)	(2,989,605)
NET CURRENT LIABILITIES		<u>(914,879)</u>	<u>(612,275)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,506,341</u>	<u>887,018</u>
PROVISIONS FOR LIABILITIES AND CHARGES	14	(718,375)	(565,608)
		<u>£787,966</u>	<u>£321,410</u>
CAPITAL AND RESERVES			
CALLED UP SHARE CAPITAL	15	100,000	100,000
RESERVES			
Other reserves	16	21,427	39,534
Profit and loss account	17	666,539	181,876
TOTAL RESERVES		<u>687,966</u>	<u>221,410</u>
SHAREHOLDERS' FUNDS		<u>£787,966</u>	<u>£321,410</u>

APPROVED BY THE BOARD OF DIRECTORS

Louisa Service
John L. L. L.

8th April 1986

The notes on pages 7 to 15 form an integral part of these accounts.

BALANCE SHEET
31st December 1985

	Note	1985	1984
FIXED ASSETS			
Intangible assets	8	665,181	683,159
Tangible assets	9	860,078	429,845
Investments	10	760,010	9,174
		<hr/> 2,285,269	<hr/> 1,122,178
CURRENT ASSETS			
Debtors	11	1,625,341	1,589,759
Cash at bank and in hand		286,118	484,489
		<hr/> 1,911,459	<hr/> 2,074,248
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	13	2,810,013	2,302,884
NET CURRENT LIABILITIES		<hr/> (898,554)	<hr/> (228,636)
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 1,386,715	<hr/> 893,542
PROVISIONS FOR LIABILITIES AND CHARGES	14	<hr/> (809,256)	<hr/> (772,500)
		<hr/> £577,459	<hr/> £121,042
CAPITAL AND RESERVES			
CALLED UP SHARE CAPITAL	15	100,000	100,000
RESERVES			
Profit and loss account	17	477,459	21,042
SHAREHOLDERS' FUNDS		<hr/> £577,459	<hr/> £121,042

APPROVED BY THE BOARD OF DIRECTORS

Louisa Service

8th April 1986

Michael Lunn

The notes on pages 7 to 15 form an integral part of these accounts.

NOTES TO THE ACCOUNTS
31st December 1985

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, other than The Palgrave Publishing Company Limited, make up their accounts to the same date.

The group acquired The Palgrave Publishing company Limited on 9th December 1985, the date to which its accounts were made up. It is intended that in future accounting periods the company will make up its accounts to the same date as the rest of the group.

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 and buildings held in South Africa nor 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 1985

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 the rates of exchange ruling at the balance sheet date. 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 all taxation liabilities which, under current legislation, have been deferred because of the availability of tax allowances for fixed asset expenditure. The directors have undertaken a review at the balance sheet date of past investment patterns and expected future levels of capital expenditure and do not consider it appropriate to assume continuing deferral.

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.

2. ANALYSIS OF TURNOVER

1985

1984

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

United Kingdom

3,922,023 3,349,917

Africa

504,453 708,459

Australasia

468,929 483,530

Other EEC countries

163,911 143,548

£5,059,316 £4,685,454

The activities of the group lie chiefly within the publishing sector.

NOTES TO THE ACCOUNTS
31st December 1985

3. OPERATING PROFIT	1985	1984
Operating profit is arrived at after charging:		
Auditors' remuneration	<u>£14,347</u>	<u>£13,827</u>
4. EMPLOYEES		
The average number employed within each category of persons was:		
Editorial staff	39	37
Sales and promotion staff	15	13
Administration staff	53	51
	<u>107</u>	<u>101</u>
The costs incurred in respect of these employees were:		
Wages and salaries	852,778	795,852
Social security costs	69,337	62,057
Other pension costs	104,869	100,250
	<u>£1,026,984</u>	<u>£958,159</u>
5. DIRECTORS		
a) Emoluments of directors of the holding company included in staff costs were:		
Management remuneration	158,758	127,582
Pension to former director in respect of services as director	5,000	5,000
	<u>£163,758</u>	<u>£132,582</u>
The emoluments, excluding pension contributions, of directors were as follows:		
Highest paid director	<u>£35,000</u>	<u>£33,750</u>
Other directors	one	one
£10,000 - £15,000	one	one
£20,001 - £25,000	two	one
£25,001 - £30,000	<u> </u>	<u> </u>

NOTES TO THE ACCOUNTS
31st December 1985

5. DIRECTORS continued

The chairman and other directors received no remuneration from the company.

- b) A loan by the company of £5,000 was granted in 1981 to Mr L.D.C. Allen who was appointed a director on 6th April 1984. The amount outstanding at 1st January 1985 was £1,833 (the maximum in the year) and at 31st December 1985 was £833. Interest is payable on the loan.

6. TAXATION	1985	1984
Taxation is based on the profits for the year and comprises:		
Corporation tax at 41.25% (1984 - 46.25%) on taxable profit	715,000	682,500
Overseas taxation (including deferred taxation)	237,206	261,656
Transfer to (from) deferred taxation (United Kingdom)	4,256	(870)
	<hr/>	<hr/>
	956,462	943,286
(Over) underprovision for earlier years		
UK Corporation tax	(6,129)	(15,000)
Deferred taxation (United Kingdom)	-	(30,038)
Overseas taxation	3,470	(8,955)
	<hr/>	<hr/>
	£953,803	£889,293
	<hr/>	<hr/>

7. DIVIDENDS

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

	1985	1984		
	<u>Pence per share</u>			
First interim dividend	400p	600p	400,000	600,000
Second interim dividend	300p	100p	300,000	100,000
Third interim dividend	-	142.857p	-	142,857
Fourth interim dividend	-	157.143p	-	157,143
	<hr/>	<hr/>	<hr/>	<hr/>
	700p	1,000p	£700,000	£1,000,000
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE ACCOUNTS
31st December 1985

8. INTANGIBLE ASSETS

GROUP

COST

At 1st January 1985
Acquired during year

Publishing rights	Goodwill on consolidation	TOTAL
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748,584	173,052	921,636
-	241,646	241,646

At 31st December 1985

748,584	414,698	1,163,282
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AMORTISATION

At 1st January 1985
Provided for in the year

37,428	4,327	41,755
18,716	4,326	23,042

At 31st December 1985

56,144	8,653	64,797
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BALANCE SHEET VALUE

At 31st December 1985

£692,440	406,045	£1,098,485
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At 31st December 1984

£711,156	168,725	£879,881
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COMPANY

COST

At 1st January 1985 and
31st December 1985

719,115	-	719,115
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AMORTISATION

At 1st January 1985
Provided for in the year

35,956	-	35,956
17,978	-	17,978

At 31st December 1985

53,934	-	53,934
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BALANCE SHEET VALUE

At 31st December 1985

£665,181	-	£665,181
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At 31st December 1984

£683,159	-	£683,159
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NOTES TO THE ACCOUNTS
31st December 1985

9. TANGIBLE ASSETS

GROUP COST	Freehold land and buildings	Plant and machinery	Fixtures, fittings, and equipment	Motor vehicles	TOTAL
At 1st January 1985	234,359	211,715	223,448	152,699	822,221
Exchange adjustments	(46,384)	-	(26,823)	(15,503)	(88,710)
Subsidiary acquired	310,000	-	35,878	9,514	355,392
Additions	270,111	165,998	53,358	132,238	621,705
Disposals	-	(858)	(2,265)	(69,094)	(72,217)
At 31st December 1985	768,086	376,855	283,596	209,854	1,638,391
DEPRECIATION					
At 1st January 1985	22,640	60,974	84,227	34,968	202,809
Exchange adjustments	(5,159)	-	(13,328)	(6,327)	(24,814)
Subsidiary acquired	-	-	26,194	6,503	32,697
Disposals	-	(257)	(2,021)	(34,722)	(37,000)
Provided for in the year	4,747	55,460	33,842	47,915	141,964
At 31st December 1985	22,228	116,177	128,914	48,337	315,656
BALANCE SHEET VALUE					
At 31st December 1985	£745,858	260,678	154,682	161,517	£1,322,735
At 31st December 1984	£211,719	150,741	139,221	117,731	£619,412
COMPANY					
COST					
At 1st January 1985	108,670	211,714	134,527	103,723	558,634
Additions	266,964	165,998	37,038	109,062	579,062
Disposals	-	(857)	(200)	(52,949)	(54,006)
At 31st December 1985	375,634	376,855	171,365	159,836	1,083,690
DEPRECIATION					
At 1st January 1985	7,763	60,974	39,882	20,170	128,789
Disposals	-	(257)	(200)	(26,216)	(26,673)
Provided for in the year	3,631	55,460	23,686	38,719	121,496
At 31st December 1985	11,394	116,177	63,368	32,673	223,612
BALANCE SHEET VALUE					
At 31st December 1985	£364,240	260,678	107,997	127,163	£860,078
At 31st December 1984	£100,907	150,740	94,645	83,553	£429,845

NOTES TO THE ACCOUNTS
31st December 1985

9.	FIXED ASSETS continued		
	FUTURE CAPITAL EXPENDITURE	1985	1984
	Contracted for but not provided in the accounts		
	Glass's Guide Service Limited	£149,546	£87,800
	Authorised by the directors but not contracted for		
	Glass's Guide Service Limited	£217,800	£318,460
10.	FIXED ASSETS - INVESTMENTS		
	Shares in group companies		
	At 1st January 1985	9,174	9,174
	Acquired	750,836	-
	At 31st December 1985	£760,010	£9,174

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

<u>Company</u>	<u>Country of incorporation</u>	<u>% of share capital held</u>	
Glass's Dealers Guide Service Pty. Limited	Australia	100	100
A\$1 per share			
Wholly owned subsidiary:			
Glass's Properties Pty. Limited	Australia		
Auto Prices Holdings B.V.	The Netherlands	100	100
Dfl. 1,000 per share			
Wholly owned subsidiary:			
Mead and McGrouther (Proprietary) Limited	Republic of South Africa		
Editions Professionelles Glass France S.A.R.L.	France	100	100
F.Fr 100 per share			
(99% owned by Auto Prices Holdings B.V.,			
1% owned by Glass's Guide Service Limited)			
The Palgrave Publishing Company Limited	United Kingdom	100	-
25p ordinary shares			
6% redeemable preference shares of £1 each			

NOTES TO THE ACCOUNTS
31st December 1985

11. DEBTORS	Group		Company	
	1985	1984	1985	1984
Trade debtors	75,120	56,382	50,147	27,650
Other debtors	56,555	38,035	51,541	31,678
Prepayments	133,220	111,563	77,527	85,898
Amount due from subsidiary company	-	-	46,126	44,763
Amount due from minority shareholder (The Municipal Journal Limited)	686,000	686,000	686,000	686,000
Amount due from holding company	714,000	713,770	714,000	713,770
	<u>£1,664,895</u>	<u>£1,605,750</u>	<u>£1,625,341</u>	<u>£1,589,759</u>
12. CURRENT ASSETS - INVESTMENTS				
Listed on a recognised stock exchange			Group	
Cost			£51,858	£ -
Market value			£57,760	£ -
13. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR				
	Group		Company	
Accruals	129,200	134,264	70,884	52,373
Deferred income	2,306,812	2,227,420	1,920,641	1,726,841
Sundry creditors	62,136	16,670	41,184	16,670
Taxation	852,283	611,251	777,304	497,000
	<u>£3,350,431</u>	<u>£2,989,605</u>	<u>£2,810,013</u>	<u>£2,302,884</u>
14. PROVISIONS FOR LIABILITIES AND CHARGES				
	Group		Company	
DEFERRED TAXATION				
At 1st January 1985	565,608	480,150	772,500	662,908
Charge (release) for the year	4,256	(30,908)	4,256	(30,908)
Increase in provision for tax payable more than one year ahead	52,496	140,500	32,500	140,500
Decrease (increase) in taxation paid on subscriptions received in advance in subsidiaries	96,015	(24,134)	-	-
At 31st December 1985	<u>£718,375</u>	<u>£565,608</u>	<u>£809,256</u>	<u>£772,500</u>

NOTES TO THE ACCOUNTS
31st December 1985

14. PROVISIONS FOR LIABILITIES AND CHARGES continued

The sources of the balance on deferred tax account
are as follows:

	Group		Company	
	1985	1984	1985	1984
Capital allowances in excess of depreciation	94,256	90,000	94,256	90,000
Corporation tax payable 1st January 1987	734,996	682,500	715,000	682,500
	<u>829,252</u>	<u>772,500</u>	<u>809,256</u>	<u>772,500</u>
Taxation paid on subscriptions received in advance	(110,877)	(206,892)	-	-
	<u>£718,375</u>	<u>£565,608</u>	<u>£809,256</u>	<u>£772,500</u>

15. CALLED UP SHARE CAPITAL

Authorised, allotted and fully paid
51,000 'A' shares of £1 each
49,000 'B' shares of £1 each

51,000	51,000
49,000	49,000
<u>£100,000</u>	<u>£100,000</u>

16. OTHER RESERVES

Capital reserves
At 1st January 1985
Exchange differences
Transfer to profit and loss account

At 31st December 1985

39,534	51,339
(14,359)	(11,805)
(3,748)	-
<u>£21,427</u>	<u>£39,534</u>

17. PROFIT AND LOSS ACCOUNT

Balance at 1st January 1985
Exchange differences arising from
the translation of the net
investment in overseas subsidiaries
Transfer from capital reserve

	Group		Company	
	1985	1984	1985	1984
Balance at 1st January 1985	181,876	189,332	21,042	1,804
Exchange differences arising from the translation of the net investment in overseas subsidiaries	7,428	(11,203)	-	-
Transfer from capital reserve	3,748	-	-	-
	<u>193,052</u>	<u>178,129</u>	<u>21,042</u>	<u>1,804</u>
Retained profit for the year	473,487	3,747	456,417	19,238
At 31st December 1985	<u>£666,539</u>	<u>£181,876</u>	<u>£477,459</u>	<u>£21,042</u>

18. ULTIMATE HOLDING COMPANY

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

SOURCE AND APPLICATION OF FUNDS
for the year ended 31st December 1985

	1985	1984
SOURCE OF FUNDS		
Profit before taxation	2,127,290	1,893,040
Items not involving the movement funds		
Depreciation and amortisation	165,006	117,057
Disposal of fixed assets at net book value	35,217	30,724
Exchange differences	56,965	2,524
	<u>257,188</u>	<u>150,305</u>
FUNDS GENERATED FROM OPERATIONS	2,384,478	2,043,345
APPLICATION OF FUNDS		
Capital expenditure	621,705	208,221
Dividends paid	700,000	1,000,000
Tax paid	593,203	803,835
Acquisition of subsidiary	750,836	-
	<u>2,665,744</u>	<u>2,012,056</u>
(DECREASE) INCREASE IN WORKING CAPITAL (financed) applied as follows	(281,266)	31,289
Increase in creditors	(86,662)	(338,031)
Increase in debtors	65,710	293,139
(Decrease) increase in bank balances	(260,314)	76,181
	<u>£(281,266)</u>	<u>£31,289</u>

NOTES

Summary of effect of acquisition of subsidiary	
Tangible fixed assets	322,695
Investments	20,002
Debtors	25,291
Bank balances	207,533
Creditors	(66,331)
	<u>509,190</u>
Intangible fixed assets - goodwill	241,646
	<u>£750,836</u>
Cash paid	