

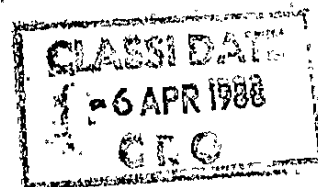
PRIVATE AND CONFIDENTIAL

ACCOUNTS

GLASS'S GUIDE SERVICE LIMITED
and subsidiary companies

31st December 1987

717446



SPICER & OPPENHEIM
A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL
CHARTERED ACCOUNTANTS

REPORT OF THE DIRECTORS

The directors submit their report and the audited accounts for the year ended 31st December 1987.

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 Economic Community territories.

REVIEW OF THE BUSINESS

Demand for new cars reached a record level and sales passed the 2 million mark for the first time. British manufacturers benefited from the high level of sales, capturing 48% of the market - their highest share for ten years. The buoyancy shown by the new car market was fully reflected in the used. The majority of dealers consistently reported improved sales levels which were higher than had been the case for some time.

At mid year the whole of the share capital of Mead & McGrouther (Proprietary) Ltd was sold.

Prospects for 1988 indicate that the Glass Group will continue to move forward to another record year, with the launch of additional new products and the consolidation of existing services.

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 £2,400,000 (1986 - £1,100,000) were paid. The directors do not recommend the payment of a final dividend (1986 - 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 £4,061 (1986 - £1,325).

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 p.l.c.
31st December 1987 31st December 1986

Mrs. L.A. Service	(chairman)	-	-
B.G. Paver	(deputy chairman and chief executive)	2,730	2,730
L.D.C. Allen		-	-
G.N. Charman		-	-
R.N. Crispe	(elected 18th August 1987)	-	-
M.A. Gill		-	-
Dr. J.H. Hemming		-	-
M.W. Lacey	(resigned 30th June 1987)	-	-
R.B. Montclare		300	-
J.G. Paul	(resigned 18th September 1987)	-	-
M.F. Poole	(elected 1st July 1987)	-	-
M. Rodenburg		-	-
J.G. Woolford	(appointed 18th September 1987)	-	-

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

Spicer and Pegler changed their name on 18th January 1988 to Spicer & Oppenheim and accordingly have signed their audit report in their new name. A resolution to reappoint Spicer & Oppenheim as auditors will be proposed at the Annual General Meeting.

By order of the board

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

R.N. Crispe

Secretary

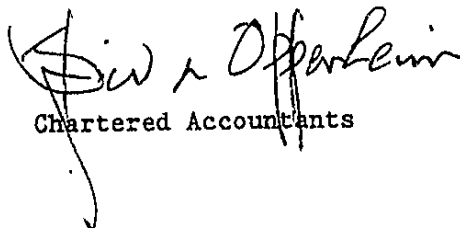
AUDITORS' REPORT TO THE MEMBERS OF GLASS'S GUIDE SERVICE LIMITED

We have audited the financial statements on pages 4 to 17 in accordance with 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 1987 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

10th March 1988


Chartered Accountants

GROUP PROFIT AND LOSS ACCOUNT
for the year ended 31st December 1987

	Note	1987	1986
TURNOVER	2	6,602,699	6,072,325
Staff costs	3	1,229,502	1,228,876
Depreciation and amortisation		232,301	212,786
Other external and operating charges		2,714,125	2,595,332
		<u>4,175,928</u>	<u>4,036,994</u>
OPERATING PROFIT	4	2,426,771	2,035,331
Other interest receivable and similar income	5	190,543	136,898
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,617,314	2,172,229
Tax on profit on ordinary activities	7	960,631	889,982
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,656,683	1,282,247
Extraordinary item	8	-	125,545
PROFIT FOR THE YEAR ATTRIBUTABLE TO THE MEMBERS OF GLASS'S GUIDE SERVICE LIMITED	9	1,656,683	1,407,792
Dividends	10	2,400,000	1,100,000
RETAINED (LOSS) PROFIT FOR THE YEAR		(743,317)	307,792
Balance at 1st January 1987		977,779	666,539
Transfer from capital reserve	19	25,293	(1,687)
Exchange difference arising on translation of the net investment in overseas subsidiaries		(26,058)	5,135
Balance carried forward at 31st December 1987		<u>£233,697</u>	<u>£977,779</u>

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

GROUP BALANCE SHEET
31st December 1987

	Note	1987	1986
FIXED ASSETS			
Intangible assets	11	912,704	1,067,720
Tangible assets	12	1,344,682	1,483,503
		<u>2,257,386</u>	<u>2,551,223</u>
CURRENT ASSETS			
Debtors	14	1,599,247	1,624,015
Investments	15	61,495	24,137
Cash at bank and in hand		1,431,406	1,908,474
		<u>3,092,148</u>	<u>3,556,626</u>
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	16	(4,309,496)	(4,256,794)
NET CURRENT LIABILITIES		<u>(1,217,348)</u>	<u>(700,168)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,040,038	1,851,055
PROVISION FOR LIABILITIES AND CHARGES	17	(704,541)	(746,028)
		<u>£335,497</u>	<u>£1,105,027</u>
CAPITAL AND RESERVES CALLED UP SHARE CAPITAL	18	100,000	100,000
RESERVES			
Other reserves	19	1,800	27,248
Profit and loss account		233,697	977,779
TOTAL RESERVES		<u>235,497</u>	<u>1,005,027</u>
SHAREHOLDERS' FUNDS		<u>£335,497</u>	<u>£1,105,027</u>

APPROVED BY THE BOARD OF DIRECTORS

Louisa Service
[Signature]

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

BALANCE SHEET
31st December 1987

	Note	1987	1986
FIXED ASSETS			
Intangible assets	11	629,225	647,203
Tangible assets	12	948,937	968,813
Investments	13	274,495	274,495
		<u>1,852,657</u>	<u>1,890,511</u>
CURRENT ASSETS			
Debtors	14	1,761,520	1,712,754
Cash at bank and in hand		1,330,950	1,674,289
		<u>3,092,470</u>	<u>3,387,043</u>
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	16	(3,943,715)	(3,666,386)
NET CURRENT LIABILITIES		<u>(851,245)</u>	<u>(279,343)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,001,412	1,611,168
PROVISION FOR LIABILITIES AND CHARGES	17	(740,248)	(787,464)
		<u>£261,164</u>	<u>£823,704</u>
CAPITAL AND RESERVES			
CALLED UP SHARE CAPITAL	18	100,000	100,000
RESERVES			
Profit and loss account	20	161,164	723,704
SHAREHOLDERS' FUNDS		<u>£261,164</u>	<u>£823,704</u>

APPROVED BY THE BOARD OF DIRECTORS

*Louisa Service**Mohd bin*

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

NOTES TO THE ACCOUNTS
31st December 1987

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. The results of Mead and McGrouther (Proprietary) Limited have been incorporated in the results up to the date of disposal.

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 1987

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.

2. ANALYSIS OF TURNOVER

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

	1987	1986
United Kingdom	5,493,498	4,860,076
Africa	330,395	513,082
Australasia	550,094	504,457
Other EEC countries	228,712	194,710
	<hr/>	<hr/>
	£6,602,699	£6,072,325

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

NOTES TO THE ACCOUNTS
31st December 1987

3. EMPLOYEES	1987	1986
The average number employed was	111	126
The principal activity of the company was publishing.		
The costs incurred in respect of these employees were		
Wages and salaries	1,019,692	1,047,106
Social security costs	142,901	90,106
Other pension costs	66,909	91,664
	<u>£1,229,502</u>	<u>£1,228,876</u>
4. OPERATING PROFIT		
Operating profit is arrived at after charging		
Auditors' remuneration	<u>£17,253</u>	<u>£18,499</u>
5. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME		
Bank deposit interest	159,663	136,898
Tax repayment supplement	502	-
Profit on disposal of Mead and McGrouther (Proprietary) Limited	30,378	-
	<u>£190,543</u>	<u>£136,898</u>
6. DIRECTORS		
Emoluments of directors of the holding company were		
Management remuneration	209,819	175,543
Pension to former director in respect of services as director	6,000	5,500
	<u>£215,819</u>	<u>£181,043</u>

NOTES TO THE ACCOUNTS
31st December 1987

6.	DIRECTORS continued	1987	1986
	The chairman received no remuneration from the company (1986 - fnil).		
	The emoluments, excluding pension contributions, of directors were as follows		
	Highest paid director	£57,588	£49,365
		<hr/>	<hr/>
		<u>No. of directors</u>	
	Other directors		
	£ 0 - £5,000	five	four
	£ 5,001 - £10,000	one	none
	£15,001 - £20,000	one	none
	£20,001 - £25,000	one	one
	£25,001 - £30,000	two	two
	£30,001 - £35,000	one	one
		<hr/>	<hr/>
7.	TAXATION		
	Taxation is based on the profits for the year and comprises		
	Corporation tax at 35% (1986 - 36.25%) on taxable profit	867,000	761,973
	Overseas taxation (including deferred taxation)	126,509	122,267
	Transfer (from) to deferred taxation (United Kingdom)	(30,183)	(9,592)
		<hr/>	<hr/>
		963,326	874,653
	Underprovision (over) for earlier years		
	UK Corporation tax	(2,695)	14,766
	Overseas taxation	-	563
		<hr/>	<hr/>
		£960,631	£889,982
		<hr/>	<hr/>
8.	EXTRAORDINARY ITEM		
	Surplus on disposal of freehold property	£ -	£125,545
		<hr/>	<hr/>
	There was no tax charge on the surplus.		
9.	PROFIT FOR THE YEAR ATTRIBUTABLE TO THE MEMBERS OF GLASS'S GUIDE SERVICE LIMITED		
	Dealt with in the accounts of the holding company	£1,837,460	£1,315,021
		<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 1987

10. DIVIDENDS

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

	1987	1986	1987	1986
	<u>Pence per share</u>			
First interim dividend	400p	200p	400,000	200,000
Second interim dividend	400p	300p	400,000	300,000
Third interim dividend	600p	100p	600,000	100,000
Fourth interim dividend	400p	400p	400,000	400,000
Fifth interim dividend	600p	100p	600,000	100,000
	<u>2,400p</u>	<u>1,100p</u>	<u>£2,400,000</u>	<u>£1,100,000</u>

11. INTANGIBLE ASSETS

GROUP	Publishing rights	Goodwill on consolidation	TOTAL
COST			
At 1st January 1987	746,916	414,698	1,161,614
Disposals	-	(139,911)	(139,911)
At 31st December 1987	<u>746,916</u>	<u>274,787</u>	<u>1,021,703</u>
AMORTISATION			
At 1st January 1987	74,873	19,021	93,894
Provided for in the year	18,729	6,870	25,599
Disposals	-	(10,494)	(10,494)
At 31st December 1987	<u>93,602</u>	<u>15,397</u>	<u>108,999</u>
BALANCE SHEET VALUE			
At 31st December 1987	<u>£653,314</u>	<u>259,390</u>	<u>£912,704</u>
At 31st December 1986	<u>£672,043</u>	<u>395,677</u>	<u>£1,067,720</u>
COMPANY			
COST			
At 1st January 1987 and 31st December 1987	719,115	-	719,115
AMORTISATION			
At 1st January 1987	71,912	-	71,912
Provided for in the year	17,978	-	17,978
At 31st December 1987	<u>89,890</u>	<u>-</u>	<u>89,890</u>
BALANCE SHEET VALUE			
At 31st December 1987	<u>£629,225</u>	<u>-</u>	<u>£629,225</u>
At 31st December 1986	<u>£647,203</u>	<u>-</u>	<u>£647,203</u>

NOTES TO THE ACCOUNTS
31st December 1987

12. TANGIBLE ASSETS

GROUP COST	Freehold land and buildings	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	TOTAL
At 1st January 1987	842,350	418,943	386,784	244,650	1,892,727
Exchange adjustments	(49,021)	-	(20,558)	(4,347)	(73,926)
Additions	16,386	4,959	126,125	140,394	288,464
Disposals	(70,436)	(5,975)	(44,468)	(124,450)	(245,329)
Intragroup transfers	-	-	-	10,801	10,801
At 31st December 1987	739,279	417,927	447,883	267,648	1,872,737
DEPRECIATION					
At 1st January 1987	18,260	188,732	138,887	63,345	409,224
Exchange adjustments	(215)	-	(5,877)	(963)	(7,055)
Disposals	-	(5,263)	(32,745)	(50,909)	(88,917)
Provided for in the year	7,965	68,106	69,935	60,696	206,702
Intragroup transfers	-	-	-	8,101	8,101
At 31st December 1987	26,010	251,575	170,200	80,270	528,055
BALANCE SHEET VALUE					
At 31st December 1987	£713,269	166,352	277,683	187,378	£1,344,682
At 31st December 1986	£824,090	230,211	247,897	181,305	£1,483,503
COMPANY.					
COST					
At 1st January 1987	450,666	418,943	250,353	196,020	1,315,982
Additions	15,477	4,959	47,086	123,330	190,852
Disposals	-	(5,975)	(10,994)	(88,038)	(105,007)
Intragroup transfers	-	-	-	10,801	10,801
At 31st December 1987	466,143	417,927	286,445	242,113	1,412,628
DEPRECIATION					
At 1st January 1987	17,589	188,732	90,831	50,017	347,169
Disposals	-	(5,263)	(10,383)	(40,807)	(56,453)
Provided for in the year	6,876	68,106	35,127	54,765	164,874
Intragroup transfers	-	-	-	8,101	8,101
At 31st December 1987	24,465	251,575	115,575	72,076	463,691
BALANCE SHEET VALUE					
At 31st December 1987	£441,678	166,352	170,870	170,037	£948,937
At 31st December 1986	£433,077	230,211	159,522	146,003	£968,813

NOTES TO THE ACCOUNTS
31st December 1987

12.	TANGIBLE ASSETS continued		
	FUTURE CAPITAL EXPENDITURE	1987	1986
	Contracted for but not provided in the accounts		
	Glass's Guide Service Limited	£139,000	£137,000
		<hr/>	<hr/>
	Authorised by the directors but not contracted for		
	Glass's Guide Service Limited	£109,000	£63,000
		<hr/>	<hr/>
13.	FIXED ASSETS - INVESTMENTS		
	Shares in group companies		
	At 1st January 1987	274,495	760,010
	Additional costs on the acquisition of The Palgrave		
	Publishing Company Ltd	-	18,674
	Pre-acquisition dividend received in 1987	-	(216,170)
	Provision against cost of investment in The Palgrave		
	Publishing Company Ltd	-	(288,019)
		<hr/>	<hr/>
	At 31st December 1987	£274,495	£274,495
		<hr/>	<hr/>

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 1987

14. DEBTORS

	<u>Group</u>		<u>Company</u>	
	1987	1986	1987	1986
Trade debtors	91,621	105,751	79,616	59,042
Other debtors	465	19,190	-	10,391
Prepayments	107,161	99,074	87,017	74,638
Amount due from subsidiary companies	-	-	194,887	168,683
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>£1,599,247</u>	<u>£1,624,015</u>	<u>£1,761,520</u>	<u>£1,712,754</u>

15. CURRENT ASSETS - INVESTMENTS

Listed on a recognised Stock Exchange

	<u>Group</u>	
Cost	£61,495	£24,137
Market value	£65,124	£24,137

16. CREDITORS - AMOUNTS FALLING DUE
WITHIN ONE YEAR

	<u>Group</u>		<u>Company</u>	
Accruals	78,949	113,374	59,895	62,048
Deferred income	3,025,037	2,764,568	2,737,468	2,273,122
Sundry creditors	73,970	72,545	27,145	24,909
Taxation	1,131,540	1,306,307	1,119,207	1,306,307
	<u>£4,309,496</u>	<u>£4,256,794</u>	<u>£3,943,715</u>	<u>£3,666,386</u>

17. PROVISION FOR LIABILITIES AND
CHARGES

	<u>Group</u>		<u>Company</u>	
DEFERRED TAXATION				
At 1st January 1987	746,028	718,375	787,464	809,256
Release for the year	(30,183)	(9,592)	(30,183)	(9,592)
Decrease in provision for tax payable more than one year ahead	(103,606)	54,377	(17,033)	(12,200)
Decrease (increase) in taxation paid on subscriptions received in advance in subsidiaries	92,302	(17,132)	-	-
At 31st December 1987	<u>£704,541</u>	<u>£746,028</u>	<u>£740,248</u>	<u>£787,464</u>

NOTES TO THE ACCOUNTS
31st December 1987

17. PROVISION FOR LIABILITIES AND CHARGES
continued

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

	Group		Company	
	1987	1986	1987	1986
Capital allowances in excess of depreciation	54,481	83,514	54,481	83,514
Short-term timing differences	-	1,150	-	1,150
Corporation tax payable 1st January 1989	685,767	789,373	685,767	702,800
	<hr/>	<hr/>	<hr/>	<hr/>
	740,248	874,037	740,248	787,464
Taxation paid on subscriptions received in advance	(35,707)	(128,009)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£704,541	£746,028	£740,248	£787,464
	<hr/>	<hr/>	<hr/>	<hr/>
Unprovided deferred taxation on chargeable gains deferred by roll-over relief	£94,000	£85,000	£94,000	£85,000
	<hr/>	<hr/>	<hr/>	<hr/>

18. CALLED UP SHARE CAPITAL

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

	1987	1986
	51,000	51,000
	49,000	49,000
	<hr/>	<hr/>
	£100,000	£100,000
	<hr/>	<hr/>

19. OTHER RESERVES

Capital reserves
At 1st January 1987
Exchange differences
Transfer to profit and loss account

	Group	
	27,248	21,427
	(155)	4,134
	(25,293)	1,687
	<hr/>	<hr/>
	£1,800	£27,248
	<hr/>	<hr/>

At 31st December 1987

GLASS'S GUIDE SERVICE LIMITED
and subsidiary companies

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NOTES TO THE ACCOUNTS
31st December 1987

20. PROFIT AND LOSS ACCOUNT

Balance at 1st January 1987
Retained (loss) profit
for the year

<u>Company</u>	
<u>1987</u>	<u>1986</u>
723,704	477,459
(562,540)	246,245
<u>£161,164</u>	<u>£723,704</u>

At 31st December 1987

21. 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 1987

	1987	1986
SOURCE OF FUNDS		
Profit before taxation	2,617,314	2,172,229
Items not involving the movement of funds		
Depreciation and amortisation	232,301	212,786
Disposal of fixed assets at net book value	61,670	59,412
Exchange differences	41,422	(2,585)
Profit on sale of subsidiary	(30,378)	
Current year pre disposal profit of subsidiary	(11,497)	
OTHER SOURCES		
Proceeds from disposal of property	-	450,809
Proceeds from disposal of subsidiary (note 1)	200,000	-
	<u>493,518</u>	<u>720,422</u>
FUNDS GENERATED FROM OPERATIONS	3,110,832	2,892,651
APPLICATION OF FUNDS		
Capital expenditure	291,164	715,611
Dividends paid	2,400,000	1,100,000
Tax paid	1,175,698	408,305
	<u>(3,866,862)</u>	<u>(2,223,916)</u>
(DECREASE) INCREASE IN WORKING CAPITAL	<u>£(756,030)</u>	<u>£668,735</u>
(Financed) applied as follows		
(Increase) in creditors	(448,325)	(452,339)
Increase (decrease) in debtors	17,915	(40,880)
(Decrease) increase in bank balances	(362,978)	1,189,675
Increase (decrease) in current asset investments	37,358	(27,721)
	<u>£(756,030)</u>	<u>£668,735</u>
NOTE 1		
Analysis of the disposal of subsidiary (Mead and McGrouther (Proprietary) Limited)		
NET ASSETS DISPOSED OF		
Intangible		129,417
Fixed assets		91,060
Debtors		42,683
Cash		113,482
Creditors		(207,020)
Profit on disposal		30,378
		<u>£200,000</u>