

**HAYMARKET CUSTOMER PUBLISHING
LIMITED**

Report and Financial Statements

31 December 2003



**Deloitte & Touche LLP
London**

HAYMARKET CUSTOMER PUBLISHING LIMITED

REPORT AND FINANCIAL STATEMENTS 2003

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HAYMARKET CUSTOMER PUBLISHING LIMITED

REPORTS AND FINANCIAL STATEMENTS 2003

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

E A Verdon-Roe (Chairman)
K Costello
S F Daukes
M B Durham
D B Fraser
B J Freeman
P V Fuller
The Rt Hon the Lord Heseltine CH
The Hon. R Heseltine
S Kanter
Dr A S Kemp
D Mills
W J H Murray
M R Nichols
W G Pecover
A K Schulp
A C Taplin
S P Tindall

SECRETARY

D B Fraser FCA

REGISTERED OFFICE

174 Hammersmith Road
London W6 7JP

BANKERS

The Royal Bank of Scotland Plc

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
London

HAYMARKET CUSTOMER PUBLISHING LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2003.

ACTIVITY AND FUTURE PROSPECTS

The principal activity of the company was the publishing and development of magazines. The directors do not anticipate any major changes in the foreseeable future.

REVIEW OF DEVELOPMENTS

The company's results for the year and state of affairs at 31 December 2003 are shown in the attached financial statements. The retained loss for the financial year was £109,000 (2002: £264,000).

A dividend of £1,235,000 (2002: £990,000) was paid during the year.

DIRECTORS AND THEIR INTERESTS


The membership of the board is set out on page 1. All of the directors served throughout the year.

All of the directors' interests in the shares of the parent company are disclosed in the directors' report of that company. None of the directors held any shares in the company or any other group undertaking.

AUDITORS

On 1 August 2003, Deloitte & Touche, the Company's auditors transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP under the provisions of section 26(5) of the Companies Act 1989. A resolution to re-appoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

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



D B Fraser
Secretary

13th July 2004

HAYMARKET CUSTOMER PUBLISHING LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 applied; and
- prepare the financial statements on the 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 enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAYMARKET CUSTOMER PUBLISHING LIMITED

We have audited the financial statements of Haymarket Customer Publishing Limited for the year ended 31 December 2003 which comprise the profit and loss account, the balance sheet and the related notes 1 to 12. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

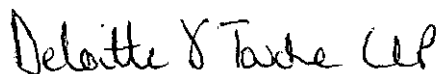
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 affairs of the company as at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP

London

Chartered Accountants and
Registered Auditors

16 13th July 2004

HAYMARKET CUSTOMER PUBLISHING LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2003

	Note	2003 £000	2002 £000
TURNOVER	2	12,372	12,902
Cost of sales		(10,140)	(11,104)
Gross profit		2,232	1,798
Administrative expenses		(615)	(756)
OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,617	1,042
Tax on profit on ordinary activities	4	(491)	(316)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,126	726
Equity dividend paid		(1,235)	(990)
Retained loss for the financial year		(109)	(264)
Retained profit brought forward		734	998
Retained profit carried forward		625	734

All activities derive from continuing operations. There are no recognised gains or losses for the current financial year and preceding financial year other than as stated in the profit and loss account.

There is no material difference between the results for the year and the preceding year and their historical cost equivalents.

HAYMARKET CUSTOMER PUBLISHING LIMITED

BALANCE SHEET 31 December 2003

	Note	2003 £000	2002 £000
CURRENT ASSETS			
Debtors: amounts falling due after more than one year	5	4,022	2,041
CREDITORS: amounts falling due within one year	6	<u>(491)</u>	<u>(317)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,531	1,724
CREDITORS: amounts falling due after more than one year	7	<u>(2,906)</u>	<u>(990)</u>
NET ASSETS		<u>625</u>	<u>734</u>
CAPITAL AND RESERVES			
Called up share capital	8	-	-
Profit and loss account		<u>625</u>	<u>734</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS	9	<u>625</u>	<u>734</u>

These financial statements were approved by the Board of Directors on 13th July 2004.

Signed on behalf of the Board of Directors

D. B. Fraser

D B Fraser
Director

HAYMARKET CUSTOMER PUBLISHING LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 December 2003

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted by the directors are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Cash flow statement

A cash flow statement has not been produced as Haymarket Customer Publishing Limited is a wholly owned subsidiary of Haymarket Group Limited, which itself produces a publicly available consolidated cash flow statement. Consequently, the company is exempt from producing a cashflow statement under the terms of FRS 1.

Deferred taxation

Deferred taxation is provided in full on timing differences between the recognition of gains and losses in the financial statements and their recognition in a taxation computation.

Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Pension Costs

The group operates a defined contribution scheme. Pension costs are charged to the profit and loss account in the period in which they are payable.

2. TURNOVER

Turnover represents revenue receivable and the value of goods sold to third parties net of value added tax and all arises in the UK.

HAYMARKET CUSTOMER PUBLISHING LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 December 2003

3. INFORMATION REGARDING DIRECTORS, EMPLOYEES AND AUDITORS

	2003 £000	2002 £000
Directors' emoluments		
Remuneration	309	273
Pension contributions	23	22
	<u>332</u>	<u>295</u>
Remuneration of the highest paid director	129	127
Pension contributions	13	13
	<u>142</u>	<u>140</u>
	No.	No.
Average number of persons employed (including directors)	66	37
	<u>£000</u>	<u>£000</u>
Staff costs during the year including Directors' emoluments		
Wages and salaries	2,022	920
Social security costs	236	94
Pension costs	99	39
	<u>2,357</u>	<u>1,053</u>

There is a defined contributions pension plan in which 3 (2002: 3) directors participate.

All staff work in publishing. The auditors' remuneration was borne by another group company for this and the preceding financial year.

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2003 £000	2002 £000
UK corporation tax at 30% (2002: 30%)	488	316
Adjustment in respect of prior years	3	-
Total current tax charge	<u>491</u>	<u>316</u>

HAYMARKET CUSTOMER PUBLISHING LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 December 2003

4 TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 30% (2002: 30%). The current tax charge for the year exceeds 30% for the reasons set out in the following reconciliation:

Reconciliation of current tax charge	2003 £000	2002 £000
Profit on ordinary activities before tax	1,617	1,042
Tax at 30%	485	313
Expenditure disallowed for tax purposes	3	3
Prior year adjustments	3	-
Current tax charge for the year	491	316

5. DEBTORS

	2003 £000	2002 £000
Amounts owed by group undertakings due after more than one year	4,022	2,041

6. CREDITORS: AMOUNTS FALLING DUE IN LESS THAN ONE YEAR

	2003 £000	2002 £000
Corporation tax	491	317

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2003 £000	2002 £000
Amounts owed to group undertakings	2,906	990

HAYMARKET CUSTOMER PUBLISHING LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 December 2003

8. CALLED UP SHARE CAPITAL

	2003 and 2002 £
Authorised: 100 ordinary shares of £1 each	100
Allotted, called up and fully paid: 100 ordinary shares of £1 each	100

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £000	2002 £000
At 1 January	734	998
Profit for the year	1,126	726
Dividend paid	(1,235)	(990)
At 31 December	625	734

10. ULTIMATE PARENT COMPANY

In the opinion of the directors, the company's ultimate parent company, largest group and smallest group in which the company is consolidated is Haymarket Group Limited, a company incorporated in Great Britain and registered in England and Wales, in which The Rt. Hon. the Lord Heseltine CH and his family have the controlling interest. Copies of the group accounts of Haymarket Group Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ. The immediate controlling party is Haymarket Publishing Group Limited, a company incorporated in Great Britain and registered in England and Wales.

11. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard 8 not to disclose related party transactions with greater than 90% owned companies in the Haymarket group.

12. CONTINGENT LIABILITY

The company has guaranteed the bank borrowings of certain other group companies. At 31 December 2003 these borrowings amounted to £68,692,851 (2002: £70,427,067).