

**HAYMARKET CUSTOMER PUBLISHING
LIMITED**

Report and Financial Statements

31 December 2002



**Deloitte & Touche
London**

HAYMARKET CUSTOMER PUBLISHING LIMITED

REPORT AND FINANCIAL STATEMENTS

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the accounts	7

HAYMARKET CUSTOMER PUBLISHING LIMITED

REPORT AND FINANCIAL STATEMENTS

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
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
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 2002.

ACTIVITY

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 2002 are shown in the attached financial statements. The profit for the financial year was £726,565 (2001: £998,125).

A dividend of £990,000 (2001: £nil) was paid during the year.

DIRECTORS AND THEIR INTERESTS

The current membership of the board is set out on page 1.

All the directors served throughout the year, with the exception of D Mills, who was appointed on 1 February 2002, and The Rt Hon Lord Heseltine CH, Dr A S Kemp, D B Fraser and S P Tindall, who were appointed on 1 May 2002. M.F. Franklin resigned on 1 February 2002.

The directors' interests in the shares of the parent company are disclosed in the directors' report of that company. Other than those, none of the directors held any shares in the company or any other group undertaking.

AUDITORS

On 1 August 2003, Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. However, at present they remain the company's auditors and have signed the accounts in that capacity. The company is intending to give its consent to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP in due course. Accordingly, although the accounts have been signed in the name of Deloitte & Touche, a resolution for the re-appointment of Deloitte & Touche LLP 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

14 October 2003

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 2002 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.

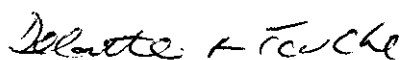
Basis of opinion

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 2002 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

16 October 2003

HAYMARKET CUSTOMER PUBLISHING LIMITED

PROFIT AND LOSS ACCOUNT For the year ended 31 December 2002

	Note	2002 £	2001 £
TURNOVER	2	12,901,700	10,032,000
Cost of sales		(11,103,437)	(7,803,135)
Gross profit		1,798,263	2,228,865
Administrative expenses		(755,387)	(798,515)
OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,042,876	1,430,350
Tax on profit on ordinary activities	4	(316,311)	(432,225)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		726,565	998,125
Equity dividend paid		(990,000)	-
Retained profit for the financial year		(263,435)	998,125
Retained profit brought forward		998,195	70
Retained profit carried forward		734,760	998,195

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.

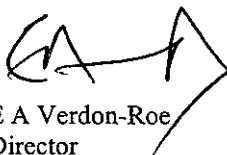
HAYMARKET CUSTOMER PUBLISHING LIMITED

BALANCE SHEET 31 December 2002

	Note	2002 £	2001 £
CURRENT ASSETS			
DEBTORS: amounts falling due after more than one year	5	2,041,171	1,430,520
CREDITORS: amounts falling due within one year	6	(316,311)	(432,225)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,724,860	998,295
CREDITORS: amounts falling due after more than one year	7	(990,000)	-
NET ASSETS		<u>734,860</u>	<u>998,295</u>
CAPITAL AND RESERVES			
Called up share capital	8	100	100
Profit and loss account		734,760	998,195
TOTAL EQUITY SHAREHOLDERS' FUNDS	9	<u>734,860</u>	<u>998,295</u>

These financial statements were approved by the Board of Directors on 14 October 2003.

Signed on behalf of the Board of Directors


 E A Verdon-Roe
 Director

HAYMARKET CUSTOMER PUBLISHING LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 December 2002

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted 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 2002

3. INFORMATION REGARDING DIRECTORS, EMPLOYEES AND AUDITORS

	2002 £	2001 £
Directors' emoluments		
Remuneration	273,403	-
Pension contributions	22,235	-
	<u>295,638</u>	<u>-</u>
Remuneration of the highest paid director	127,509	-
Pension contributions	12,625	-
	<u>140,134</u>	<u>-</u>
	No.	No.
Average number of persons employed (including directors)	37	-
	£	£
Staff costs during the year including Directors' emoluments		
Wages and salaries	919,977	-
Social security costs	94,233	-
Pension costs	39,546	-
	<u>1,053,756</u>	<u>-</u>

There is a defined contributions pension plan in which 3 (2001: nil) directors participate.

The auditors' remuneration was borne by another group company for this and the preceding financial year.

4 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2002 £	2001 £
UK corporation tax at 30% (2001: 30%)	316,311	432,225

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 30% (2001: 30%). The current tax charge for the year exceeds 30% for the reasons set out in the following reconciliation:

Reconciliation of current tax charge	2002 £	2001 £
Loss on ordinary activities before tax	1,042,876	1,430,350
Tax at 30%	312,863	429,105
Expenditure disallowed for tax	3,448	3,120
Current tax charge for the year	<u>316,311</u>	<u>432,225</u>

HAYMARKET CUSTOMER PUBLISHING LIMITED

NOTES TO THE ACCOUNTS For the year ended 31 December 2002

5. DEBTORS

	2002 £	2001 £
Amounts owed by group undertakings due after more than one year	2,041,171	1,430,520

6. CREDITORS FALLING DUE IN LESS THAN ONE YEAR

	2002 £	2001 £
Corporation tax	316,311	432,225

7. CREDITORS DUE AFTER MORE THAN ONE YEAR

	2002 £	2001 £
Amounts owed to group undertakings	990,000	-

8. CALLED UP SHARE CAPITAL

	2002 and 2001 £
Authorised: 100 ordinary shares of £1 each	100
Allotted, called up and fully paid: 100 ordinary shares of £1 each	100

9. RECONCILIATION OF SHAREHOLDERS' FUNDS

	2002 £	2001 £
At 1 January	998,295	170
Profit for the year	726,565	998,125
Dividend paid	(990,000)	-
At 31 December	734,860	998,295

HAYMARKET CUSTOMER PUBLISHING LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 December 2002

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 Magazines Limited, a company incorporated in Great Britain 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 Haymarket group companies.

12. CONTINGENT LIABILITY

The company has guaranteed the bank borrowings of certain other group companies. At 31 December 2002 these borrowings amounted to £70,427,067 (2001: £79,584,629).