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EUROMONEY PUBLICATIONS LIMITED

AND ITS SUBSIDIARY

FINANCIAL STATEMENTS

30TH SEPTEMBER 1984



EUROMONEY PUBLICATIONS LIMITED

AND ITS SUBSIDIARY

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EUROMONEY PUBLICATIONS LIMITED AND ITS SUBSIDIARY

DIRECTORS' REPORT

The directors submit their annual report together with the financial statements for the year ended 30th September 1984.

1. Principal activities

The group is principally engaged in financial publishing and organising conferences.

2. Results

The company has enjoyed a very successful year in all areas of its operations, with turnover increasing by 58% over last year.

The profit for the year attributable to members is	£ 1,615,529
The proposed dividend is	<u>1,615,529</u>

The directors are of the opinion that it will be difficult to sustain this year's level of turnover and profits in the forthcoming year. However, two new monthly periodicals have been launched in October, and further new publications will be considered as opportunities arise.

3. Directors

The directors in office at the end of the year, are listed below. Apart from Mr. N.J. Bance and Mr. P.R. Ensor, who were appointed on 12th December 1983, all served on the Board throughout the year.

Mr. D.C. Fildes and Mr. W.M. Clarke retired from the Board on the 14th September 1984 and 21st September 1984 respectively.

The interests of the directors and their families in the shares of the company at 1st October 1983 (or the date of their appointment to the Board if later) and at 30th September 1984, as recorded in the register maintained by the company in accordance with the provisions of the Company's Act 1967, were as follows:

	<u>New Ordinary shares 1984</u>	<u>"B" Ordinary shares 1983</u>
R.M.P. Shields (Chairman)	-	-
Sir Patrick Sergeant (Managing Director)	1,260	28
P.J. Saunders	-	-
P.M. Fallon (Deputy Managing Director)	270	2
N.J. Bance	-	-
P.R. Ensor	-	-

The changes in the share capital of the company are detailed in note 12 to the accounts.

The interests of directors in the shares of Associated Newspapers Holdings plc are disclosed in that company's financial statements.

EUROMONEY PUBLICATIONS LIMITED AND ITS SUBSIDIARY

DIRECTORS' REPORT (CONTINUED)

4. Fixed assets

The principal changes in the fixed assets of the group during the year were:

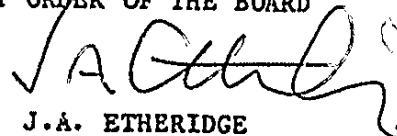
- a) the disposal of motor vehicles, which had a net book value of £13,885.
- b) the purchase of motor vehicles amounting to £77,326.
- c) the purchase of office equipment amounting to £126,958, made up largely of word processors and microcomputers.

5. Auditors

Thornton Baker offer themselves for reappointment as auditors of the company in accordance with Section 14(1) of the Companies Act 1976.

Carmelite House  
London EC4

BY ORDER OF THE BOARD

  
J.A. ETHERIDGE

Secretary

REPORT OF THE AUDITORS TO THE MEMBERS OF  
EUROMONEY PUBLICATIONS LIMITED AND ITS SUBSIDIARY

We have audited the financial statements on pages 4 to 13 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 30th September 1984 and of the result and source and application of funds of the group for the year then ended and comply with the Companies Acts 1948 to 1981.

*Thornton Baker*

THORNTON BAKER

LONDON

*February 1985*

EUROMONEY PUBLICATIONS LIMITED AND ITS SUBSIDIARY

ACCOUNTING POLICIES

FOR THE YEAR ENDED 30TH SEPTEMBER 1984

The financial statements have been prepared under the historical cost convention.

The principal accounting policies of the group have remained unchanged from the previous year and are set out below.

a) Turnover

Turnover is the total amount receivable by the companies excluding value added tax. It represents income from subscriptions, advertising, publications, conferences and other services.

Advertising sales are shown gross of agency commission.

b) Depreciation

No depreciation is provided on fixed assets in the year of purchase.

Depreciation on motorcars has been provided at the rate of 20% on the straight line basis.

Depreciation on office and computer equipment has been provided at the rate of 25% on the straight line basis.

c) Foreign currencies

Assets and liabilities in foreign currencies are converted at rates of exchange ruling at the year end. Revenue items are converted at average rates for the year.

d) Deferred taxation

Deferred taxation is the taxation attributable to timing differences between profits computed for taxation purposes and profits stated in the financial statements and has been provided for in full. Account has been taken of the future changes in capital allowances and corporation tax rates, introduced by the 1984 Finance Act.

EUROMONEY PUBLICATIONS LIMITED  
AND ITS SUBSIDIARY  
CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30TH SEPTEMBER 1984

	<u>Note</u>	<u>1984</u> <u>£</u>	<u>1983</u> <u>£</u>
Turnover	1	10,476,549	6,630,220
Operating profit	1	2,837,905	690,005
Net interest receivable	2	265,888	149,206
Profit on ordinary activities before taxation		3,103,793	839,211
Taxation on profit on ordinary activities	3	1,479,464	468,375
Profit on ordinary activities for the financial year	4	1,624,329	370,836
Dividend	5	1,615,529	370,836
Profit retained		£ 8,800	£ -
		<u>1984</u> <u>£</u>	<u>1983</u> <u>£</u>
Statement of retained profits:			
Retained profits at 30th September 1983		3,275	3,275
Retained profit for the year		8,800	-
Capitalisation of retained profits by bonus issue	12	(8,800)	-
Retained profits at 30th September 1984		£ 3,275	£ 3,275

The accounting policies and notes on pages 4 and 9 to 14 form part of these financial statements.

EUROMONEY PUBLICATIONS LIMITED AND ITS SUBSIDIARY  
CONSOLIDATED BALANCE SHEET AT 30TH SEPTEMBER 1984

	<u>Note</u>	<u>1984</u>	<u>1983</u>
		£	£
Fixed assets			
Tangible assets	6	330,595	200,670
Current assets			
Debtors	8	2,940,389	1,713,515
Investments	9	4,311,149	2,107,622
Cash		114,181	145,027
		<u>7,365,719</u>	<u>3,966,164</u>
Creditors: amounts falling due within one year	10	<u>7,601,662</u>	<u>4,080,663</u>
Net current liabilities		(235,943)	(114,499)
Total assets less current liabilities		94,652	86,171
Provisions for liabilities and charges: deferred tax	11	<u>76,377</u>	<u>76,696</u>
		<u>£18,275</u>	<u>£ 9,475</u>
Capital and reserves			
Called up share capital	12	15,000	6,200
Profit and loss account		3,275	3,275
		<u>£18,275</u>	<u>£ 9,475</u>

The financial statements were approved by the Board of Directors on 7<sup>th</sup> February 1985

*R.M.P. Shields*  
R.M.P. SHIELDS

SIR PATRICK SERGHANT

} DIRECTORS

The accounting policies and notes on pages 4 and 9 to 14 form part of these financial statements.



EUROMONEY PUBLICATIONS LIMITED

BALANCE SHEET AT 30TH SEPTEMBER 1984

	<u>Note</u>	£	<u>1984</u>	£	£	<u>1983</u>	£
Fixed assets							
Tangible assets	6		330,595			200,670	
Investments	7		100			100	
			<u>330,695</u>			<u>200,770</u>	
Current assets							
Debtors	8	2,940,389		1,713,515			
Short-term investments	9	4,311,149		2,107,622			
Cash		10,334		10,086			
		<u>7,261,872</u>		<u>3,831,223</u>			
Creditors: amounts falling due within one year	10	<u>7,497,915</u>		<u>3,945,822</u>			
Net current liabilities			(236,043)			(114,559)	
Total assets less current liabilities			<u>94,652</u>			<u>86,171</u>	
Provisions for liabilities and charges: deferred tax	11		<u>76,377</u>			<u>76,696</u>	
			<u>£18,272</u>			<u>£ 9,475</u>	
Capital and reserves							
Called up share capital	12		15,000			6,200	
Profit and loss account			3,275			3,275	
			<u>£18,275</u>			<u>£ 9,475</u>	

The financial statements were approved by the Board of Directors on

*R.M.P. Shields*  
R.M.P. SHIELDS

SIR PATRICK SERGEANT

*Patrick Sergeant*  
DIRECTORS

The accounting policies and notes on pages 4 and 9 to 14 form part of these financial statements.

EUROMONEY PUBLICATIONS LIMITED AND ITS SUBSIDIARY  
CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED 30TH SEPTEMBER 1984

	£	<u>1984</u>	£	<u>1983</u>	£
Source of funds					
Profit before tax		3,103,793		839,211	
Adjustments for items not involving the movement of funds					
Item previously capitalised written off		-		551	
Depreciation	62,255		60,511		
Loss on sale of fixed assets	268		19,470		
		<u>62,523</u>		<u>80,532</u>	
Total generated from operations		3,166,316		919,743	
Funds from other sources					
Sale of fixed assets		13,725		12,825	
		<u>3,180,041</u>		<u>932,568</u>	
Application of funds					
Dividends paid	370,836		376,592		
Taxation paid/(recovered)	451,022		396,343		
Purchase of fixed assets	206,173		104,264		
		<u>1,028,031</u>		<u>877,199</u>	
Net inflow of funds		<u>£2,152,010</u>		<u>£ 55,369</u>	
Increases/(decreases) in working capital					
Group company balances	(30,767)		41,529		
Debtors	1,248,294		102,650		
Creditors	(1,238,198)		(739,032)		
		<u>(20,671)</u>		<u>(594,853)</u>	
Net liquid funds					
Bank balances		2,172,681		650,222	
Net increase in working capital		<u>£2,152,010</u>		<u>£ 55,369</u>	

EUROMONEY PUBLICATIONS LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1984

1. Turnover and operating profit

	<u>1984</u>	<u>1983</u>
	£	£
Turnover	10,476,549	6,630,220
Other external charges	6,040,222	4,419,540
	<u>4,436,327</u>	<u>2,210,680</u>
Staff costs		
Wages and salaries	899,674	722,263
Social security costs	55,682	52,884
Pension contributions	57,484	139,581
	<u>1,012,840</u>	<u>914,728</u>
Other costs		
Depreciation	62,255	60,511
Auditors' remuneration	10,775	8,000
Other operating charges	470,355	469,353
Group charges	42,197	68,083
	<u>585,582</u>	<u>605,947</u>
Operating profit -	<u>£2,837,905</u>	<u>£690,005</u>
Turnover		
Turnover analysed by geographical market is as follows:		
United Kingdom	3,183,264	1,865,099
Overseas	7,293,285	4,765,121
	<u>£10,476,549</u>	<u>£6,630,220</u>

The average number of persons employed by the company during the year was 67 (1983 60).

The emoluments of employees receiving more than £30,000 during the year were:

	<u>1984</u>	<u>1983</u>
over £30,000 but not exceeding £35,000	1	-
over £35,000 but not exceeding £40,000	1	-
over £40,000 but not exceeding £45,000	-	2
over £45,000 but not exceeding £50,000	-	1
over £50,000 but not exceeding £55,000	1	-

EUROMONEY PUBLICATIONS LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30TH SEPTEMBER 1984

2. Net interest receivable and similar charges

	<u>1984</u>	<u>1983</u>
Interest receivable from short-term deposits	£265,888	£149,206

3. Taxation on profit on ordinary activities

The taxation charge is based on the profit for the year and is made up as follows:

	<u>1984</u> £	<u>1983</u> £
U.K. corporation tax at 47% (1983 52%)	1,472,700	457,891
Deferred taxation (note 11)	31,424	10,484
	<u>1,504,124</u>	<u>468,375</u>
Adjustments to prior years' taxation:-		
U.K. corporation tax	7,083	-
Deferred taxation (note 11)	(31,743)	-
	<u>£1,479,464</u>	<u>£468,375</u>

4. Profit on ordinary activities for the financial year

The parent company has taken advantage of Section 149(5) of the Companies Act 1948 and has not included its own profit and loss account in these financial statements.

All of the group profit for the financial year is dealt with in the accounts of the parent company. This is consistent with the previous year.

5. Dividend

	<u>1984</u>	<u>1983</u>
Final proposed	£1,615,529	£370,836

6. Tangible fixed assets

	<u>The group and the company</u>
	<u>Plant and equipment</u> £
Cost or valuation:	
At beginning of year	280,654
Group transfers	-
Additions	206,173
Disposals	(43,463)
	<u>£443,364</u>
At end of year	

EUROMONEY PUBLICATIONS LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30TH SEPTEMBER 1984

6. Tangible fixed assets (continued)

	<u>Plant and equipment</u> £
Accumulated depreciation:	
At beginning of year	79,984
Group transfers	-
Charge for the year	62,255
Disposals	(29,470)
	<u>£112,769</u>
At end of year	
Net book value - 30th September 1984	<u>£330,595</u>
Net book value - 30th September 1983	<u>£200,670</u>

7. Fixed asset investments

The company

Shares in  
Subsidiary

Cost:

At 30th September 1984 and 30th September 1983	<u>£100</u>
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At 30th September 1984 the company owned 100% of the ordinary share capital of Euromoney Publications (Overseas) Limited which is its only subsidiary. This subsidiary acts as overseas agent for the company. The company is incorporated in the UK.

8. Debtors: amounts falling due within one year

	<u>The group and the company</u> <u>1984</u> £	<u>1983</u> £
Trade debtors	2,246,183	1,101,937
Amounts owing from group companies	442,888	464,308
Prepayments and accrued income	94,698	43,703
Other debtors	156,620	103,567
	<u>£2,940,389</u>	<u>£1,713,515</u>
Total debtors		

EUROMONEY PUBLICATIONS LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30TH SEPTEMBER 1984

9. Investments

	<u>The group and the company</u> <u>1984</u>	<u>1983</u>
Short-term investments	<u>£4,311,149</u>	<u>£2,107,622</u>

These investments consisted of deposit accounts with banks. Their market value at the year end was equal to their book value and no taxation would have been payable had they been realised at that time.

10. Creditors - amounts falling due within one year

	<u>1984</u>		<u>1983</u>	
	<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Payments received on account	70,282	70,282	132,393	132,393
Trade creditors	391,986	391,986	142,507	142,507
Amounts owing to group companies	85,373	496,910	76,026	199,801
Other creditors	734,923	219,639	762,281	503,665
Taxation and social security	1,921,785	1,921,785	893,024	893,024
Accruals and deferred income	2,781,784	2,781,784	1,703,596	1,703,596
Dividend	1,615,529	1,615,529	370,836	370,836
	<u>£7,601,662</u>	<u>£7,497,915</u>	<u>£4,080,663</u>	<u>£3,945,822</u>

11. Provisions for liabilities and charges

The group and the company

	<u>Deferred taxation</u>	
	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
At 1st October 1983	76,696	66,212
Adjustment to opening balance for changes introduced by the Finance Act, 1984		
see accounting policies note (d)	(31,743)	-
Charge for the year	<u>31,424</u>	<u>10,484</u>
At 30th September 1984	<u>£76,377</u>	<u>£76,696</u>

EUROMONEY PUBLICATIONS LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30TH SEPTEMBER 1984

12. Called up share capital

	<u>Authorised, issued and fully paid</u>	
	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
New ordinary shares of £1 each	15,000	-
"A" ordinary shares of £1 each	-	6,000
"B" ordinary shares of £1 each	-	200
	<u>£15,000</u>	<u>£6,200</u>

During the year Mr. P.M. Fallon purchased 4 'B' shares from Associated Newspapers Holdings plc, taking his total holding to 6 'B' shares.

On 25th September 1984 8,800 new ordinary shares of £1 each were issued to the 'B' shareholders in the ratio of 44 new shares for 1 'B' share. No consideration was given for these shares, an amount of £8,800 being capitalised from the current year's surplus.

On 25th September 1984 new articles of association were adopted converting the existing 6,000 'A' and 200 'B' shares to new ordinary shares of £1 each. These were transferred 1 for 1 to existing shareholders.

13. Directors

The emoluments of the directors for the year ended 30th September 1984 and 30th September 1983 were as follows:

	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
Fees	34,850	17,330
Management remuneration	830,514	497,395
Pension contributions	46,075	96,716
	<u>£911,439</u>	<u>£611,441</u>

Scale of emoluments (excluding pension contributions)

	<u>1984</u>	<u>1983</u>
Over £ 5,000 but not exceeding £ 10,000	1	1
Over £ 45,000 but not exceeding £ 50,000	-	2
Over £ 55,000 but not exceeding £ 60,000	1	-
Over £125,000 but not exceeding £130,000	-	1
Over £160,000 but not exceeding £165,000	1	-
Over £235,000 but not exceeding £240,000	1	-

Emoluments of the Chairman £8,180 (1983 £5,050)  
Emoluments of the highest paid director £384,370 (1983 £275,596)

EUROMONEY PUBLICATIONS LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30TH SEPTEMBER 1984

14. Pension contributions

Employees of the group are members of the Harmsworth Contributory Pension Scheme, which is administered by the ultimate holding company Associated Newspapers Holdings plc.

An actuarial valuation of the fund was carried out at 31st March, 1983. The actuaries report that they are of the opinion that the funding arrangements are satisfactory and adequate to meet future liabilities of the Scheme.

15. Ultimate holding company

The company's ultimate holding company is Associated Newspapers Holdings plc, which is registered in England.