

EUROMONEY PUBLICATIONS LIMITED

AND ITS SUBSIDIARY

FINANCIAL STATEMENTS

30TH SEPTEMBER 1985

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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 1985.

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 nearly all areas of its operations, with turnover increasing by 43% over last year.

	£
The profit for the year attributable to members is	2,308,927
The proposed dividend is	<u>2,308,927</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, four new products are planned for 1985/86 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. All served on the Board throughout the year.

The interests of the directors and their families in the shares of the company at 1st October 1984 and at 30th September 1985, as recorded in the register maintained by the company in accordance with the provisions of the Companies Act 1985, were as follows:

	Ordinary shares 1985	Ordinary shares 1984
R.M.P. Shields (Chairman)	-	-
Sir Patrick Sergeant (Managing Director)	1,260	1,260
P.J. Saunders	-	-
P.M. Fallon (Deputy Managing Director)	270	270
N.J. Bance	-	-
P.R. Ensor	-	-

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

EURMONEY 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 £21,515.
- b) the purchase of motor vehicles amounting to £73,702
- c) the purchase of office equipment amounting to £129,481 made up largely of word processors and microcomputers.
- d) the purchase of office furniture and fittings amounting to £120,465.

5. Donations

The company made charitable donations during the year, amounting to £3,500.


6. Auditors

Thornton Baker offer themselves for reappointment as auditors of the company in accordance with Section 384(1) of the Companies Act 1985.

Carmelite House
London EC4

19th November 1985

BY ORDER OF THE BOARD


J.A. ETHERIDGE

Secretary

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

We have audited the financial statements on pages 4 to 14 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 1985 and of the result and source and application of funds of the group for the year then ended and comply with the Companies Act 1985.

Thornton Baker

THORNTON BAKER

LONDON

19th November 1985

EUROMONEY PUBLICATIONS LIMITED AND ITS SUBSIDIARY

ACCOUNTING POLICIES

FOR THE YEAR ENDED 30TH SEPTEMBER 1985

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

The principal accounting policies of the group, with the exception of the definition of turnover, have remained unchanged from the previous year and are set out below.

a) Basis on consolidation

The group financial statements consolidate the financial statements of the company and of its subsidiary. The financial statements of both companies have been prepared to the 30th September 1985. All intra-group profits are eliminated on consolidation.

b) 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 net of agency commission. Previously turnover was stated gross of agency commission, agency commission being included in other external charges. The effect of the change is shown in note 1 to the financial statements.

c) Depreciation

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

Depreciation on motor vehicles 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.

d) 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.

e) Deferred taxation

Deferred taxation is the taxation attributable to timing differences between profits computed for taxation purposes and profits stated in the financial statements. Deferred tax is accounted for to the extent that it is probable that taxation will become payable in the foreseeable future. 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 1985

	<u>Note</u>	<u>1985</u> £	<u>1984</u> £
Turnover	1	14,068,767	9,826,042
Operating profit	1	3,555,240	2,837,905
Net interest receivable	2	573,365	265,888
Profit on ordinary activities before taxation	3	4,128,605	3,103,793
Taxation on profit on ordinary activities	3	1,819,678	1,479,464
Profit on ordinary activities for the financial year	4	2,308,927	1,624,329
Dividend	5	2,308,927	1,615,529
Profit retained		£ -	£ 8,800
		<u>1985</u> £	<u>1984</u> £
Statement of retained profits:			
Retained profits at 30th September 1984		3,275	3,275
Retained profit for the year		-	8,800
Capitalisation of retained profits by bonus issue		-	(8,800)
Retained profits at 30th September 1985		<u>£ 3,275</u>	<u>£ 3,275</u>

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

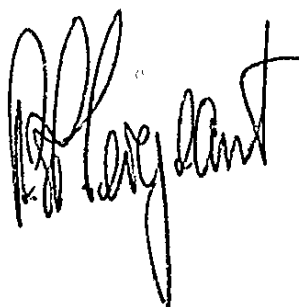
EUROMONEY PUBLICATIONS LIMITED AND ITS SUBSIDIARY

CONSOLIDATED BALANCE SHEET AT 30TH SEPTEMBER 1985

	<u>Note</u>	<u>1985</u>		<u>1984</u>	
		£	£	£	£
Fixed assets					
Tangible assets	6	528,812		330,595	
Current assets					
Debtors	8	4,095,012		2,940,389	
Investments	9	5,518,765		4,311,149	
Cash		189,720		114,181	
		<u>9,803,497</u>		<u>7,365,719</u>	
Creditors: amounts falling due within one year	10	<u>10,171,221</u>		<u>7,601,662</u>	
Net current liabilities		<u>(367,724)</u>		<u>(235,943)</u>	
Total assets less current liabilities		161,088		94,652	
Provisions for liabilities and charges: deferred tax	11	142,813		76,377	
		<u>£18,275</u>		<u>£18,275</u>	
Capital and reserves					
Called up share capital	12	15,000		15,000	
Profit and loss account		3,275		3,275	
		<u>£18,275</u>		<u>£18,275</u>	

The financial statements were approved by the Board of Directors on the 19th November 1985.

R.M.P. SHIELDS)
SIR PATRICK SERGEANT) 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 1985

	<u>Note</u>	<u>1985</u>	<u>1984</u>
		£	£
Fixed assets			
Tangible assets	6	528,812	330,595
Investments	7	100	100
		<u>528,912</u>	<u>330,695</u>
Current assets			
Debtors	8	4,095,012	2,940,389
Short-term investments	9	5,518,765	4,311,149
Cash		8,815	10,334
		<u>9,622,592</u>	<u>7,261,872</u>
Creditors: amounts falling due within one year	10	<u>9,990,416</u>	<u>7,497,915</u>
Net current liabilities		<u>(367,824)</u>	<u>(236,043)</u>
Total assets less current liabilities		161,088	94,652
Provisions for liabilities and charges: deferred tax	11	<u>142,813</u>	<u>76,377</u>
		<u>£ 18,275</u>	<u>£18,275</u>
Capital and reserves			
Called up share capital	12	15,000	15,000
Profit and loss account		3,275	3,275
		<u>£ 18,275</u>	<u>£18,275</u>

The financial statements were approved by the Board of Directors on 19th November 1985.

R.M.P. SHIELDS)
) DIRECTORS
 SIR PATRICK SERGEANT)

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

EUROMONEY PUBLICATIONS LIMITED AND ITS SUBSIDIARY
GROUP STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 30TH SEPTEMBER 1985

	<u>1985</u>	<u>1984</u>
	£	£
Source of funds		
Profit before tax	4,128,605	3,103,793
Adjustments for items not involving the movement of funds		
Depreciation	103,916	62,255
Loss on sale of fixed assets	1,778	268
	<u>105,694</u>	<u>62,523</u>
Total generated from operations	4,234,299	3,166,316
Funds from other sources		
Sale of fixed assets	19,737	13,725
	<u>4,254,036</u>	<u>3,180,041</u>
Application of funds		
Dividends paid	1,615,529	370,836
Taxation paid	518,773	451,022
Purchase of fixed assets	323,648	206,173
	<u>2,457,950</u>	<u>1,028,031</u>
Net inflow of funds	<u>£1,796,086</u>	<u>£2,152,010</u>
Increases/(decreases) in working capital		
Group company balances	1,279,468	(30,767)
Debtors	(119,594)	1,248,294
Creditors	(646,943)	(1,238,198)
	<u>512,931</u>	<u>(20,671)</u>
Net liquid funds		
Bank balances	1,283,155	2,172,681
Net increase in working capital	<u>£1,796,086</u>	<u>£2,152,010</u>

EUROMONEY PUBLICATIONS LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1985

1. Turnover and operating profit

	<u>1985</u>		<u>1984</u>
	£	£	£
Turnover	14,068,767		9,826,042
Other external charges	8,235,696		5,389,715
	<u>5,833,071</u>		<u>4,436,327</u>
Staff costs			
Wages and salaries	1,269,428	899,674	
Social security costs	71,772	55,682	
Pension contributions	71,623	57,484	
	<u>1,412,823</u>		<u>1,012,840</u>
Other costs			
Depreciation	103,916	62,255	
Auditors' remuneration	13,940	10,775	
Other operating charges	696,665	470,355	
Group charges	50,487	42,197	
	<u>865,008</u>		<u>585,582</u>
Operating profit	<u>£3,555,240</u>		<u>£2,837,905</u>
Turnover			
Turnover analysed by geographical market is as follows:			
United Kingdom		4,150,805	
Overseas		9,917,962	
		<u>£14,068,767</u>	

Turnover and other external charges for the year ended 30th September 1984 have been adjusted to show them net of advertising commission amounting to £605,507.

The average number of persons employed by the company during the year was 84 (1983, 67).

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

	<u>1985</u>	<u>1984</u>
over £30,000 but not exceeding £35,000	2	1
over £35,000 but not exceeding £40,000	-	1
over £40,000 but not exceeding £45,000	1	-
over £45,000 but not exceeding £50,000	2	-
over £50,000 but not exceeding £95,000	-	1

EUROMONEY PUBLICATIONS LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30TH SEPTEMBER 1985

2. Net interest receivable and similar charges

	<u>1985</u>	<u>1984</u>
Interest receivable from short-term deposits	£573,365	£265,888

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>1985</u> £	<u>1984</u> £
U.K. corporation tax at 42.5% (1984 47%)	1,750,139	1,472,700
Deferred taxation (note 11)	81,674	31,424
	<u>1,831,813</u>	<u>1,504,124</u>
Adjustments to prior years' taxation:-		
U.K. corporation tax	3,103	7,083
Deferred taxation (note 11)	(15,238)	(31,743)
	<u>£1,819,678</u>	<u>£1,479,464</u>

4. Profit on ordinary activities for the financial year

The parent company has taken advantage of Section 228(7) of the Companies Act 1985 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>1985</u>	<u>1984</u>
Final proposed	£2,308,927	£1,615,529
Related tax credit	<u>£100,933</u>	<u>£70,622</u>

6. Tangible fixed assets

	<u>The group and the company</u> <u>Plant and equipment</u> £
Cost or valuation:	
At beginning of year	443,364
Group transfers	-
Additions	323,648
Disposals	(79,118)
At end of year	<u>£687,894</u>

EUROMONEY PUBLICATIONS LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30TH SEPTEMBER 1985

6. Tangible fixed assets (continued)

	<u>Plant and equipment</u> £
Accumulated depreciation	
At beginning of year	112,769
Group transfers	—
Charge for the year	103,916
Disposals	(57,603)
At end of year	<u>£159,082</u>
Net book value - 30th September 1985	<u>£528,812</u>
Net book value - 30th September 1984	<u>£330,595</u>

7. Fixed asset investments

The company

	<u>Shares in Subsidiary</u>
Cost.	
At 30th September 1985 and 30th September 1984	<u>£100</u>

At 30th September 1985 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>1985</u>	<u>1984</u>
Trade debtors	2,047,131	2,246,183
Amounts owing from group companies	1,717,105	442,888
Prepayments and accrued income	248,463	94,698
Other debtors	82,313	156,620
Total debtors	<u>£4,095,012</u>	<u>£2,940,389</u>

EUROMONEY PUBLICATIONS LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30TH SEPTEMBER 1985

9. Investments

	<u>The group and the company</u>	
	<u>1985</u>	<u>1984</u>
Short-term investments	<u>£5,518,765</u>	<u>£4,311,149</u>

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

10. Creditors - amounts falling due within one year

	<u>Group</u>	<u>1985</u>	<u>Company</u>	<u>Group</u>	<u>1984</u>	<u>Company</u>
	<u>£</u>		<u>£</u>	<u>£</u>		<u>£</u>
Payments received on account	139,858	139,858	70,282	70,282		
Trade creditors	391,069	391,069	391,986	391,986		
Amounts owing to group companies	80,122	740,917	85,373	496,910		
Other creditors	1,087,014	245,414	734,923	219,639		
Taxation and social security	3,156,254	3,156,254	1,921,785	1,921,785		
Accruals and deferred income	3,007,977	3,007,977	2,781,784	2,781,784		
Dividend	2,308,927	2,308,927	1,615,529	1,615,529		
	<u>£10,171,421</u>	<u>£9,990,416</u>	<u>£7,601,662</u>	<u>£7,497,915</u>		

11. Provisions for liabilities and charges

The group and the company

	<u>Deferred taxation</u>	
	<u>1985</u>	<u>1984</u>
	<u>£</u>	<u>£</u>
At 1st October 1984	76,377	76,696
Adjustment to opening balance for changes introduced by the Finance Act, 1984	(15,238)	(31,743)
Charge for the year	<u>81,674</u>	<u>31,424</u>
At 30th September 1985	<u>£142,813</u>	<u>£76,377</u>

EUROMONEY PUBLICATIONS LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30TH SEPTEMBER 1985

12. Called up share capital	<u>1985</u>	<u>1984</u>
Authorised:		
Ordinary shares of £1 each	<u>15,750</u>	<u>15,000</u>
Allotted and fully paid;		
Ordinary shares of £1 each	<u>15,000</u>	<u>15,000</u>

On 8th March, 1985 the authorised share capital of the company was increased from £15,000 to £15,750, by the creation of 750 new ordinary shares of £1 each.

An executive share option scheme has been adopted, subject to;

- a) Approval to the scheme being obtained from the Inland Revenue.
- b) Direction by the parent company as to who shall participate in the scheme and the number of shares to be allocated to them.

A total amount of up to 5% of the issued share capital can be granted in options.

13. Directors

The emoluments of the directors for the year ended 30th September 1985 and 30th September 1984 were as follows:

	<u>1985</u>	<u>1984</u>
	£	£
Fees	59,066	34,850
Management remuneration	1,194,646	830,514
Pension contributions	46,452	46,075
	<u>£1,300,164</u>	<u>£911,439</u>

EUROMONEY PUBLICATIONS LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30TH SEPTEMBER 1985

13. Directors (continued)

Scale of emoluments (excluding pension contributions)

	<u>1985</u>	<u>1984</u>
Over £ 5,000 but not exceeding £ 10,000	-	1
Over £ 10,000 but not exceeding £ 15,000	1	-
Over £ 55,000 but not exceeding £ 60,000	-	1
Over £ 90,000 but not exceeding £ 95,000	1	-
Over £160,000 but not exceeding £165,000	-	1
Over £185,000 but not exceeding £190,000	1	-
Over £235,000 but not exceeding £240,000	-	1
Over £330,000 but not exceeding £335,000	1	-

Emoluments of the Chairman £14,234 (1984 £8,180)

Emoluments of the highest paid director £602,708 (1984 £384,370)

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.