

MINING JOURNAL BOOKS LIMITED

Company No. 1172046

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2001**



Mining Journal Books Limited
Report of the Directors
For the year ended 31 December 2001

The directors submit their Report and Accounts for the year ended 31st December 2001.

Principal Activities

The activities of the company consist of the publication of books, electronic media and associated matters. During the year it continued as agent for Mining Journal's subscription sales and for other publishers' books.

Results and Dividends

The operations of the company for the year resulted in a profit of £20,893 (2000 : £27,794 - loss) after deduction of all expenses.

Directors

The following directors served on the Board in the year:

C.G. Hinde
M.J. West
L.C.G.C. Williams

None of the above has a beneficial interest in the issued shares of the company.

The directors interest in the shares of the ultimate parent company, The Mining Journal Limited, are shown in that company's accounts.

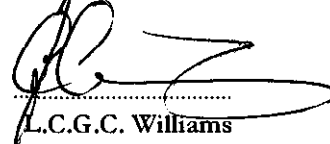
Auditors

Kingston Smith have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act 1985 it is proposed that they be re-appointed auditors to the company for the ensuing year.

Small Company Rules

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

On Behalf of the Board


L.C.G.C. Williams
Director

60 Worship Street
London EC2A 2HD

Date:

17/10/02

Mining Journal Books Limited

Directors' Responsibilities and Report of the Auditors

Statement of Directors' Responsibilities

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 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 and prepare the financial statements on a going concern basis unless it is inappropriate to assume 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 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 Shareholders of Mining Journal Books Limited

We have audited the financial statements of Mining Journal Books Limited for the year ended 31st December 2001 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These have been prepared under the historical cost convention, the accounting policies set out therein and the Financial Reporting Standard for Smaller Entities.

Respective Responsibilities of Directors and Auditors

As described in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 to you 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 the directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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.

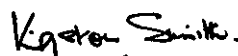
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 the company's affairs as at 31st December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Devonshire House
60 Goswell Road
London EC1M 7AD

Date: 22nd October, 2002


Kingston Smith
Chartered Accountants
and Registered Auditors

Mining Journal Books Limited
Profit and Loss Account
For the year ended 31st December 2001

	Note	2001 £	2000 £
Turnover - continuing activities	2	170,833	142,986
Cost of sales		<u>(90,745)</u>	<u>(112,248)</u>
Gross profit		80,088	30,738
Administrative expenses		<u>(59,198)</u>	<u>(58,773)</u>
Operating Profit/(Loss) - continuing activities	3	20,890	(28,035)
Interest receivable and similar income		1,803	12,073
Interest payable and similar charges		<u>(1,800)</u>	<u>(11,832)</u>
Profit/(Loss) on Ordinary Activities before Taxation		20,893	(27,794)
Taxation	4	<u>-</u>	<u>-</u>
Profit/(Loss) for the Financial Year	10	<u><u>20,893</u></u>	<u><u>(27,794)</u></u>

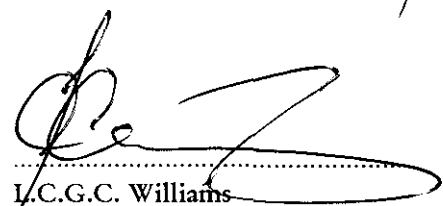
Mining Journal Books Limited

Balance Sheet as at 31st December 2001

	Note	2001 £	2001 £	2000 £	2000 £
Fixed Assets					
Intangible assets	5		5,000		20,000
Current Assets					
Stock	6	3,254		-	
Debtors	7	61,963		32,617	
Cash at bank and in hand		<u>97,007</u>		<u>18,074</u>	
		162,224		50,691	
Creditors: Amounts falling due within one year	8	<u>(116,943)</u>		<u>(41,303)</u>	
Net Current Assets			<u>45,281</u>		<u>9,388</u>
Total assets less current liabilities			50,281		29,388
Creditors: Amounts falling due after more than one year	9		<u>(50,000)</u>		<u>(50,000)</u>
Net Assets/(Liabilities)			<u>281</u>		<u>(20,612)</u>
Capital and Reserves					
Called up share capital - equity interests	10		100		100
Profit and loss account	10		<u>181</u>		<u>(20,712)</u>
Shareholders' Funds	10		<u>281</u>		<u>(20,612)</u>

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Approved by the board on 15/10/02


 L.C.G.C. Williams
 Director

Mining Journal Books Limited

Notes to the Accounts

For the year ended 31st December 2001

1 Accounting Policies

Accounting Basis and Standards

The accounts are prepared under the historical cost convention.

The nature of the company's business is such that there can be a significant variation in the timing of cash inflows. The directors have prepared projected cash flow information on a month-by-month basis for the period ending twelve months from the date of their approval of these financial statements. To the extent that additional funding is required the Company has been supported by its parent undertaking, The Mining Journal Limited.

On the basis of the cash flow information and the support of the parent, the directors consider that the Company will be in a position to operate satisfactorily for the foreseeable future and that it is appropriate to prepare the financial statements on the going concern basis.

Deferred Taxation

Deferred tax is accounted for under the liability method in respect of the taxation effect of all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

Research and Development

Development expenditure incurred on an individual project is carried forward when its future recoverability can be foreseen with reasonable assurance. Any expenditure carried forward is amortised in line with sales from the related project.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition, including where appropriate, a proportion of manufacturing overheads.

Turnover

Turnover represents the invoiced amount of books, CD Roms, publications and associated matter sold and commissions received. It is stated net of value added tax and is attributable to the one principal activity of the company.

Foreign Currencies

Transactions denominated in foreign currencies are translated into Sterling at the exchange rate ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the end of the financial year. All exchange differences are dealt with in the profit and loss account.

2 Turnover

The directors consider that the disclosures by geographical market would be seriously prejudicial to the business.

3 Operating Profit/(Loss)

The operating profit/(loss) is stated after charging:

Auditors' remuneration

Loss on foreign exchange

Amortisation

2001	2000
£	£
3,000	2,000
160	191
<u>15,000</u>	<u>20,000</u>

Mining Journal Books Limited
Notes to the Accounts
For the year ended 31st December 2001 (Continued)

4 Tax on Profit on Ordinary Activities

No corporation tax arises due to losses available.

5 Intangible Assets

	Deferred Development Expenditure £
Cost	
At 1st January 2001 and at 31st December 2001	<u>44,398</u>
Amortisation	
At 1st January 2001	24,398
Released in the year	<u>15,000</u>
At 31st December 2001	<u>39,398</u>
Net Book Value	
At 31st December 2001	<u>5,000</u>
At 31st December 2000	<u>20,000</u>

6 Stocks

	2001 £	2000 £
Stock of books	<u>3,254</u>	<u>-</u>

7 Debtors

	2001 £	2000 £
Trade debtors	11,376	25
Amounts owed by group undertakings	47,522	28,555
Other debtors	<u>3,065</u>	<u>4,037</u>
	<u>61,963</u>	<u>32,617</u>

8 Creditors: Amounts falling due within one year

	2001 £	2000 £
Trade creditors	11,604	5,803
Other creditors	<u>105,339</u>	<u>35,500</u>
	<u>116,943</u>	<u>41,303</u>

Mining Journal Books Limited
Notes to the Accounts
For the year ended 31st December 2001 (Continued)

9	Creditors: Amounts falling due after more than one year	2001	2000
		£	£
	Long term loan	<u>50,000</u>	<u>50,000</u>

This is an unsecured loan from The Mining Journal Limited at an interest rate related to interest received on equivalent cash investments. There are no formal terms of repayment however the above represents the minimum amount which does not fall due for repayment prior to one year from the signing of the balance sheet.

In 2000, the loan was from Andrew House Limited.

10 Share Capital, Movement on Reserves and Reconciliation of Movements in Shareholders' Funds

	Share Capital	Profit and Loss Account	Total Shareholders Funds
	£	£	£
Balance at 1st January 2000	100	7,082	7,182
Loss attributable to the shareholders of the company	-	(27,794)	(27,794)
Balance at 31st December 2000	100	(20,712)	(20,612)
Profit attributable to the shareholders of the company	-	20,893	20,893
Balance at 31st December 2001	<u>100</u>	<u>181</u>	<u>281</u>

The authorised share capital comprises 100 ordinary shares of £1 each (2000: 100) of which 100 have been allotted, issued and are fully paid (2000: 100).

11 Immediate Parent Undertaking and Ultimate Controlling Party

The immediate and ultimate parent undertaking is The Mining Journal Limited, a company incorporated in England and Wales.

The ultimate controlling party is Lawrence Williams by virtue of his ownership of 54.9% of the issued share capital of that company.

11 Related Party Transactions

During the year the Company paid interest of £1,800 (2000 - £11,832) to Andrew House Limited, a company in which C.G. Hinde, M.J. West and L.C.G.C. Williams are all directors and M.J. West is the controlling party. This was in respect of a loan, the balance of which at 31st December 2001 was £63,161 (2000 - £61,832). The company owed Andrew House Limited £nil (2000 - £50,000), due more than one year.

The Company sold services worth £50,000 (2000 - £40,000) and incurred expenses of £13,837 (2000 - £15,377) in transactions with its parent company, The Mining Journal Limited. It also paid a management fee in the year of £33,689 (2000 - £39,653). As at 31st December 2001 the balance owed by The Mining Journal Limited was £47,522 (2000 - £28,555). The company owed The Mining Journal Limited £50,000 (2000 - £nil), due more than one year.