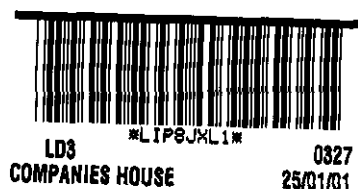


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# MINING JOURNAL BOOKS LIMITED

Company No. 1172046

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1999



# **Mining Journal Books Limited**

## **Company Information**

### **Directors**

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

### **Secretary**

R. Aley

### **Registered Office**

60 Worship Street  
London  
EC2A 2HM

### **Bankers**

National Westminster Bank plc  
City of London Office  
1 Princes Street  
London  
EC2R 8PB

### **Auditors**

Kingston Smith  
Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

**Mining Journal Books Limited**  
**Report of the Directors**  
**For the year ended 31 December 1999**

The directors submit their Report and Accounts for the year ended 31st December 1999.

**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 £57,051 (1998 : £68,863) after deduction of all expenses. The directors have paid a dividend of £100,000 (1998 - £100,000) during the year.

**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, Mining Journal Limited, are shown in that company's accounts.

**Year 2000**

Assuring the ongoing operation of our business and computer systems into the next millennium is a key focus of the directors. A comprehensive review of all systems has been carried out to ensure that:

- 1) all business and computer systems will correctly process future dates.
- 2) trading relationships with suppliers and customers will continue to operate without disruption.

The total estimated costs of these reviews has not been quantified but was not considered to be material. No significant problems have arisen to date.

**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.

60 Worship Street  
London EC2A 2HD

Date:

Jan 17 '01

On Behalf of the Board

Michael West L.C.G.C. Williams  
Director

# **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;
- 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 to 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.

### **Report of the Auditors to the Members of Mining Journal Books Limited**

We have audited the financial statements on pages 3 to 7 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities under the historical cost convention and the accounting policies set out on page 5.

#### **Respective Responsibilities of Directors and Auditors**

As described above the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

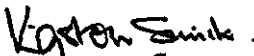
#### **Basis of Opinion**

We conducted our audit in accordance with 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 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 as applicable to small companies.

  
KINGSTON SMITH  
Chartered Accountants  
and Registered Auditors

Devonshire House  
60 Goswell Road  
London EC1M 7AD

Date: 21st January 2001

**Mining Journal Books Limited**  
**Profit and Loss Account**  
**For the year ended 31st December 1999**

	Note	1999 £	1998 £
<b>Turnover - continuing operations</b>	2	213,352	214,897
Cost of sales		<u>(107,774)</u>	<u>(91,686)</u>
<b>Gross Profit</b>		105,578	123,211
Administrative expenses		<u>(43,315)</u>	<u>(47,295)</u>
<b>Operating Profit - continuing operations</b>	3	62,263	75,916
Interest Receivable and Similar Income		12,712	15,410
Interest payable and similar charges		<u>(3,441)</u>	<u>(4,158)</u>
<b>Profit on Ordinary Activities before Taxation</b>		71,534	87,168
Taxation	9	<u>(14,483)</u>	<u>(18,305)</u>
<b>Profit for the Financial Year</b>		57,051	68,863
Dividend on equity shares	10	<u>(100,000)</u>	<u>(100,000)</u>
<b>Withdrawn from Reserves</b>		<u><u>(42,949)</u></u>	<u><u>(31,137)</u></u>

There were no recognised gains or losses other than the profit for the two financial years.

The attached notes form part of these accounts.

**Mining Journal Books Limited**  
**Balance Sheet as at 31st December 1999**

	Note	1999 £	1998 £
<b>Current Assets</b>			
Stock	4	3,376	5,582
Debtors	5	3,724	5,138
Cash at bank and in hand		<u>255,803</u>	<u>283,294</u>
		262,903	294,014
<b>Creditors: Amounts falling due within one year</b>	6	<u>(205,721)</u>	<u>(193,883)</u>
<b>Net Current Assets</b>		57,182	100,131
<b>Creditors: Amounts falling due after more than one year</b>	7	<u>(50,000)</u>	<u>(50,000)</u>
<b>Net Assets</b>		<u><u>7,182</u></u>	<u><u>50,131</u></u>
 <b>Capital and Reserves</b>			
Called up share capital	8	100	100
Profit and loss account	8	<u>7,082</u>	<u>50,031</u>
<b>Equity Shareholders' Funds</b>		<u><u>7,182</u></u>	<u><u>50,131</u></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.

Approved by the board on

~~Lawrence Williams~~

Director

MICHAEL WEST

# Mining Journal Books Limited

## Notes to the Accounts

### For the year ended 31st December 1999

#### 1 Accounting Policies

##### Accounting Basis and Standards

The accounts are prepared under the historical cost convention.

##### 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.

##### 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 company has derived 56 % (1998 - 58%) of its turnover from supplying geographical markets outside the UK.

#### 3 Operating Profit

The operating profit is stated after charging:

Auditors' remuneration

Management fees

Loss on foreign exchange

1999

£

1,000

37,765

243

1998

£

950

43,221

-

The management fees relate to the indirect costs invoiced to the company by its holding company. It includes an element of directors' emoluments and staff salaries.

#### 4 Stocks

Finished goods and goods for resale

1999

£

3,376

1998

£

5,582

#### 5 Debtors

Trade debtors

Recoverable Corporation Tax

1999

£

659

3,065

3,724

1998

£

2,074

3,064

5,138

#### 6 Creditors: Amounts falling due within one year

Trade creditors

Amounts owed to group undertaking

Other creditors

Accruals

1999

£

8,602

172,840

22,069

2,210

205,721

1998

£

7,395

167,397

17,591

1,500

193,883

**Mining Journal Books Limited**  
**Notes to the Accounts**  
**For the year ended 31st December 1999 (Continued)**

7 Creditors: Amounts falling due after more than one year	1999	1998
	£	£
Long term loan	<u>50,000</u>	<u>50,000</u>

This is an unsecured loan from Andrew House 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 1st January 2001.

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

	Share Capital £	Profit and Loss Account £	Total Shareholders Funds £
<b>Balance at 1st January 1998</b>	100	81,168	81,268
Profit attributable to the shareholders of the company	-	68,863	68,863
Dividends	-	(100,000)	(100,000)
<b>Balance at 31st December 1998</b>	100	50,031	50,131
Profit attributable to the shareholders of the company	-	57,051	57,051
Dividends	-	(100,000)	(100,000)
<b>Balance at 31st December 1999</b>	<u>100</u>	<u>7,082</u>	<u>7,182</u>

The authorised share capital comprises 100 ordinary shares of £1 each (1998: 100) of which 100 have been allotted, issued and are fully paid (1998: 100).

9 Tax on Profit on Ordinary Activities	1999	1998
	£	£
Based on the profit for the year		
Corporation tax @ 20.25% (1998: 21%)	<u>14,483</u>	<u>18,305</u>

10 Dividend	1999	1998
	£	£
Dividend paid of £1000 per share		
(1998: £1,000 per share)	<u>100,000</u>	<u>100,000</u>

**11 Immediate Parent Undertaking and Ultimate Controlling Party**

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

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



**Mining Journal Books Limited**  
**Notes to the Accounts**  
**For the year ended 31st December 1999 (Continued)**

**12 Related Party Transactions**

- (i) During the year the company paid interest of £3,441 (1998 - £4,158) 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 1999 was £69,426 (1998 - £65,985).
- (ii) The company sold services worth £50,000 (1998 - £50,000) and incurred expenses of £29,918 (1998 - £37,500) in transactions with The Mining Journal Limited, its parent company. It also paid a management fee in the year of £37,765 (1998 - £43,221). As at 31st December 1999 the balance owed to The Mining Journal Limited was £172,840 (1998 - £167,397).