

**PARLIAMENTARY COMMUNICATIONS LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30 1996**

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Company No. 1262354



PARLIAMENTARY COMMUNICATIONS LIMITED
DIRECTOR'S REPORT

The director submits his report with the audited financial statements of Parliamentary Communications Limited for the year ended June 30 1996.

1. Principal Activity

The principal activities of the company are publishing, government monitoring and management services.

2. Results and dividends

The loss for the year after taxation was £90,566 (1995: profit £15,426). The director does not propose the payment of a dividend (1995 : £nil).

3. Directors and their interests

The director who served during the year and his interest in the share capital of the company was as follows:-

	1996	1995
	£	£
K Young	101,000	1,000

4. Fixed Assets

Changes in fixed assets are shown in notes 7, 8 and 9 to the financial statements.

5. Close Company

The Company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

6. Auditors

A resolution will be proposed at the Annual General Meeting to reappoint Morison Stoneham as auditors.

BY ORDER OF THE BOARD



S Stubbs
SECRETARY

April 29 1997

10 Little College St, London SW1

PARLIAMENTARY COMMUNICATIONS LIMITED
STATEMENT OF DIRECTOR'S 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.

AUDITORS' REPORT TO THE SHAREHOLDERS OF PARLIAMENTARY COMMUNICATIONS LIMITED

We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of the director and auditors

As described on page 2 the company's director is 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.

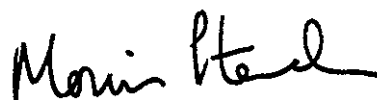
Basis of Opinion

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 director 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 June 30 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Morison Stoneham
Registered Auditors
Chartered Accountants

April 29 1997

PARLIAMENTARY COMMUNICATIONS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30 1996

	Notes	Total 1996 £	Total 1995 £
Turnover	2	2,281,921	1,944,864
Cost of sales		1,901,092	1,527,328
		-----	-----
Gross Profit		380,829	417,536
Distribution costs		144,473	146,409
Administration expenses		315,190	268,764
		-----	-----
(Loss)/profit on ordinary activities before taxation	3	(78,834)	2,363
Tax charge/(credit)on (loss)/profit on ordinary activities	6	11,732	(13,063)
		-----	-----
(Loss)/profit on ordinary activities after taxation		(90,566)	15,426
Losses brought forward		(62,928)	(78,354)
		-----	-----
Losses carried forward		£(153,494)	£(62,928)
		=====	=====

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

PARLIAMENTARY COMMUNICATIONS LIMITED
BALANCE SHEET AT JUNE 30 1996

		1996		1995	
	Notes	£	£	£	£
Fixed Assets					
Intangible Assets	7		31,558		35,503
Tangible Assets	8		132,893		105,549
Investments	9		125,677		130,730
			-----		-----
			290,128		271,782
Current Assets					
Debtors	10	694,993		456,839	
Cash at bank		61,831		26,904	
		-----		-----	
		756,824		483,743	
Creditors: amounts falling due within one year	11	1,095,276		657,780	
		-----		-----	
Net Current Liabilities			(338,452)		(174,037)
			-----		-----
Total Assets Less Current Liabilities			(48,324)		97,745
Creditors: amounts falling due after one year	12		-		159,673
Provision for Liabilities and Charges	13		4,170		-
			-----		-----
			£(52,494)		£(61,928)
			=====		=====
Capital and Reserves					
Called up share capital	14		101,000		1,000
Profit and Loss account			(153,494)		(62,928)
			-----		-----
			£(52,494)		£(61,928)
			=====		=====

Approved by the director on

for 29, 1997

K Young
K Young

Director

PARLIAMENTARY COMMUNICATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30 1996

1. Accounting Policies

a) Accounting Convention

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost convention.

b) Depreciation

Depreciation is provided to write off fixed assets on a straight line basis over their estimated useful lives as follows:-

Leasehold Premises - Term of the Lease

Office Equipment -25% on cost

c) Goodwill

Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair value of its net separable assets.

Goodwill and the premium paid on acquisition of investments are amortised in equal annual instalments over their estimated economic lives of between 10 and 40 years.

d) Deferred Taxation

Deferred taxation is provided using the liability method on all timing differences expected to reverse within the foreseeable future.

e) Cash Flow Statement

No cash flow statement has been included in these financial statements as the company qualifies as a small company and is exempt from the requirements of Financial Reporting Standard 1.

f) Lease Commitments

Operating lease rentals are charged to the profit and loss account in the period in which they fall due.

g) Revenue Recognition

i) Subscription revenue is allocated by accounting periods in proportion to the number of issues covered by the subscription published before and after the accounting date. Unappropriated subscription revenue is included within current liabilities.

ii) Advertising revenue is brought into account on publication date.

iii) Fees are recognised over the period of the relevant assignments or agreements.

iv) Revenue from associated undertakings is brought into account on a cash received basis.

PARLIAMENTARY COMMUNICATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30 1996 (CONTINUED)

2. Turnover

Turnover represents sales net of value added tax.

All turnover arises in the United Kingdom from the following classes of business:

	1996 £ '000	1995 £ '000
The House Magazine	671	512
Parliamentary Information Unit	341	268
Church of England Newspaper	404	404
Other publishing activities	73	37
Other activities	329	151
Management services	464	573
	-----	-----
	£2,282	£1,945
	=====	=====

3. (Loss)/Profit on Ordinary Activities before Taxation

This is stated after charging:

	1996 £	1995 £
Director's emoluments	-	-
Auditors' remuneration	5,119	5,200
Amortisation of goodwill	8,998	8,998
Depreciation	33,470	24,113
Hire of equipment	23,416	23,894
Director's loan interest	4,851	13,001
Bank loan interest	3,028	7,129
	=====	=====

4. Staff Costs

	1996 £	1995 £
Wages and salaries	305,607	455,527
Social Security costs	19,418	45,238
Pension costs	-	998
	-----	-----
	£325,025	£501,763
	=====	=====

The average number of employees during the year was 12 (1995: 28).

PARLIAMENTARY COMMUNICATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30 1996 (CONTINUED)

4. Staff Costs (continued)

In addition to employees involved in the activities of Parliamentary Communications Limited the company also employed staff involved in the production of titles owned by UK Publications (see note 9). The costs are recharged to UK Publications. The average number of these employees during the year was 4 (1995: 12) and the costs incurred were:

	1996	1995
	£	£
Wages and salaries	85,026	120,477
Social security costs	5,158	11,433
Pension costs	567	1,281
	-----	-----
	£90,751	£133,191
	=====	=====

5. Director's Emoluments

The director did not receive any remuneration during the year.

6. Tax on (loss)/profit on ordinary activities:

The taxation charge based on (loss)/profit for the year at 25%(1995:nil) is made up as follows:

	1996	1995
	£	£
Tax recoverable	-	(9,152)
Tax payable	7,562	-
Deferred tax (note 13)	4,170	(3,911)
	-----	-----
	£11,732	£(13,063)
	=====	=====

7. Intangible Fixed Assets

With effect from July 1 1994 the company paid £1 to acquire the assets and liabilities of Christian Weekly Newspapers Limited. The investment represents the excess of the cost of purchase over the net assets acquired. See also note 16(a).

Cost	Goodwill
	£
At July 1 1995 and June 30 1996	39,448
	=====
Amortisation	
At July 1 1995	3,945
Charge for the year	3,945

At June 30 1996	7,890
	=====
Net Book Value	
At June 30 1996	£31,558
	=====
At June 30 1995	£35,503
	=====

PARLIAMENTARY COMMUNICATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30 1996 (CONTINUED)

7. Intangible Fixed Assets (continued)

Cost and fair value:	£
Fixed assets	3,527
Debtors	66,783
Creditors	(109,757)

	(39,447)
Consideration	1

Purchased goodwill arising on acquisition	£(39,448)
	=====

8. Tangible fixed assets

	Office Equipment	Short Leasehold	Total
	£	£	£
Cost			
At July 1 1995	117,843	20,701	138,544
Additions during the year	62,259	-	62,259
Disposals	(1,719)	-	(1,719)
	-----	-----	-----
At June 30 1996	178,383	20,701	199,084
	=====	=====	=====
Depreciation			
At July 1 1995	31,026	1,969	32,995
Charge for the year	31,400	2,070	33,470
Disposals	(274)	-	(274)
	-----	-----	-----
At June 30 1996	62,152	4,039	66,191
	=====	=====	=====
Net Book Value			
At June 30 1996	£116,231	£16,662	£132,893
	=====	=====	=====
At June 30 1995	£86,817	£18,732	£105,549
	=====	=====	=====

PARLIAMENTARY COMMUNICATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30 1996 (CONTINUED)

9. Investments

The company owns 20% of UK Publications, an unincorporated publishing business, based in England, and participates in 100% of the profits or losses.

	Share of net tangible liabilities	Goodwill	Premium paid on acquisition	Total
	£	£	£	£
Cost				
At July 1 1995 and June 30 1996	(56,242) =====	136,559 =====	65,573 =====	145,890 =====
Amortisation				
At July 1 1995	-	10,242	4,918	15,160
Charge for the year	-	3,414	1,639	5,053
	-----	-----	-----	-----
At June 30 1996	- =====	13,656 =====	6,557 =====	20,213 =====
Net book value				
At June 30 1996	£(56,242) =====	£122,903 =====	£59,016 =====	£125,677 =====
At June 30 1995	£(56,242) =====	£126,317 =====	£60,655 =====	£130,730 =====

The summarised profit and loss account of the associated undertaking is as follows:

	1996 £ '000	1995 £ '000
Turnover	409	399
Cost of Sales	(233) -----	(334) -----
Gross Profit	176	65
Distribution	(38)	(51)
Overheads	(56) -----	(79) -----
Operating profit/(loss)	82 =====	(65) =====

The profit and loss account information is based on unaudited accounts supported by an Accountant's Report.

PARLIAMENTARY COMMUNICATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30 1996 (CONTINUED)

10. Debtors

	1996	1995
	£	£
Trade debtors	238,809	210,210
Amounts owed by associated undertaking	167,807	113,421
Corporation tax recoverable	-	9,152
Other debtors	27,044	25,838
Prepayments and accrued income	261,333	98,218
	-----	-----
	£694,993	£456,839
	=====	=====

11. Creditors: amounts falling due within one year

	1996	1995
	£	£
Bank loan	-	25,000
Trade creditors	449,794	199,553
Other taxes and social security	19,155	76,166
Corporation tax payable	7,562	-
Deferred income	342,693	279,130
Other creditors	189,973	34,243
Accruals	86,099	43,688
	-----	-----
	£1,095,276	£657,780
	=====	=====

12. Creditors: amounts falling due after one year

	1996	1995
	£	£
Bank loan	-	60,417
Director's loan	-	96,856
Balance due on acquisition of associated undertaking	-	2,400
	-----	-----
	£nil	£159,673
	=====	=====

13. Provision for Liabilities and Charges

	1996	1995
	£	£
Deferred Taxation:		
Provision for accelerated capital allowances	£4,170	£Nil
	=====	=====

The movement on deferred taxation of £4,170 (1995 : £3,911) forms part of the taxation charge (note 6).

PARLIAMENTARY COMMUNICATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30 1996 (CONTINUED)

14. Share Capital

	1996 £	1995 £
Equity:		
Authorised		
400,000 Ordinary shares of £1 each	400,000	1,000
	=====	=====
Allotted, called up and fully paid Ordinary shares of £1 each	101,000	1,000
	=====	=====

The authorised share capital was increased to 400,000 ordinary shares of £1 each on January 9 1996. On March 18 1996 the company issued 100,000 ordinary shares of £1 each at par for cash to provide additional capital.

15. Reconciliation of Movement on Shareholder's Funds

	1996 £	1995 £
Shareholder's Funds brought forward	(61,928)	(77,354)
Increase in share capital during the year	100,000	-
Retained (Loss)/profit for the year	(90,566)	15,426
	-----	-----
Shareholder's Funds carried forward	£(52,494)	£ (61,928)
	=====	=====
Represented by Equity Interests	£(52,494)	£(61,928)
	=====	=====

16. Contingent Liabilities

- a) The company has an agreement with Christian Weekly Newspapers Limited to manage the production and publication of the Church of England Newspaper. Under the terms of this agreement the company indemnifies Christian Weekly Newspapers Limited against all obligations and liabilities and any losses incurred in connection with the publication(see also note 7).
- b) The company has an investment of 20% in an unincorporated joint venture, UK Publications (note 9). At June 30 1996 UK Publications had net tangible liabilities of £226,826 (1995 : £309,260) for which Parliamentary Communications Limited has joint and several liability. However in the opinion of the director the contingent liability will not crystallise and therefore no provision has been made. See also note 19.
- c) Included in other debtors is an amount of £23,100 which is secured by a fixed charge.

17. Other Financial Commitments

At June 30 1996 the company had annual commitments under non-cancellable operating leases as set out below:

	1996		1995	
	Short Leasehold £	Other £	Short Leasehold £	Other £
Operating leases which expire:				
Within one year	-	1,053	-	757
In the second to fifth years inclusive	-	19,542	-	21,909
In over five years	46,200	-	46,200	-
	-----	-----	-----	-----
	£46,200	£20,595	£46,200	£22,666
	=====	=====	=====	=====

PARLIAMENTARY COMMUNICATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30 1996 (CONTINUED)

18. Director's Transactions

During the year, the company was provided with the following services on an arm's length basis by businesses over which K Young, director and chairman, exercises control.

	1996	1995
	£	£
Management services	313,961	24,000
Pre Press services	45,354	31,894
	-----	-----
	£359,315	£55,894
	=====	=====

19. Post Balance Sheet Events

The company has an investment of 20% in an incorporated joint venture UK Publications. On August 2 1996 the titles, business and goodwill owned by the joint venturers were sold.