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HURST PUBLISHING LIMITED

FINANCIAL ACCOUNTS FOR THE
YEAR ENDED 31ST MARCH 1991

IAN SHUTE & COMPANY
CHARTERED ACCOUNTANTS



HURST PUBLISHING LIMITED

DIRECTORS:

R J Madejski
P Gibbons

SECRETARY:

S Hodgson

REGISTERED OFFICE:

Auto Trader House
Reading
Berkshire RG6 4UT

BANKERS:

Midland Bank Plc
199 Kings Road
Reading
Berkshire RG1 4HN

AUDITORS:

Ian Shute & Company
Chartered Accountants
The Old Barn
Woolhampton
Berkshire RG7 5SQ

HURST PUBLISHING LIMITED

FINANCIAL ACCOUNTS FOR THE
YEAR ENDED 31ST MARCH 1991

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The following page does not form part of the statutory account:

7	Detailed Trading and Profit and Loss Account
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HURST PUBLISHING LIMITEDREPORT OF THE DIRECTORS

The directors submit their report and audited accounts for the year ended 31st March 1991.

PRINCIPAL ACTIVITY

The principal activity of the company was that of Magazine Publishers.

REVIEW OF THE BUSINESS

The Directors consider the company to be trading satisfactorily.

LAND AND BUILDINGS

The directors are of the opinion that the market value of the company's freehold property is equal to the net book amount. Details of Land & Buildings is set out in Note 9.

RESULTS AND DIVIDENDS

The retained profit of the company for the year was £1,056,076, (1990 - £352,509 profit).

The directors recommend that this be added to the retained earnings at the beginning of the period and that the balance of £2,589,918 be carried forward.

DIRECTORS

The directors who served during the year and the beneficial and family interests of those serving at the end of the year in the shares and debentures of the company were as follows:-

	Ordinary shares of £1 each	
	<u>31st March 1991</u>	<u>31st March 1990</u>
R J Madejski	67	67
P Gibbons	33	33

R J Madejski has an interest in Goodhead Group Plc whose subsidiary has contracts for printing with Hurst Publishing Limited.

FIXED ASSETS

Changes in fixed assets during the year are set out in note 9 to the accounts.

POLITICAL AND CHARITABLE DONATIONS

The Company made no such donations in the year.

DISABLED PERSONS

The Company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind.

TAXATION STATUS

In the opinion of the directors, the company is a close company within the meaning of the Income and Corporation Tax Act 1970 (as amended).

AUDITORS

A resolution will be proposed at the next Annual General Meeting to reappoint the auditors, Ian Shute & Company.

By order of the Board

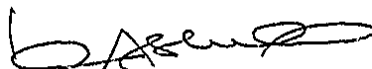

S. Hodgson
Secretary

AUDITORS' REPORT TO THE MEMBERS OF

HURST PUBLISHING LIMITED

We have audited the financial statements on pages 3 to 6 in accordance with auditing standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st March 1991 and of its Profit and Source and Application of Funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ian Shute & Company
Chartered Accountants
The Old Barn
Woolhampton
Berkshire RG7 5SQ

HURST PUBLISHING LIMITEDPROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 1991

	Note	<u>1991</u>		<u>1990</u>	
		£	£	£	£
TURNOVER	2	19,482,778		14,205,581	
Cost of Sales		10,363,580		7,130,681	
GROSS PROFIT		9,119,198		7,074,900	
Advertising & Promotion Costs		536,933		235,578	
Administrative Expenses		8,456,660		7,047,726	
		8,993,593		7,283,304	
		125,605		(208,404)	
Other Operating Income	6	1,476,310		891,341	
OPERATING PROFIT		1,601,915		682,937	
Bank Charges & Interest payable	7	(116,163)		(102,797)	
		(116,163)		(102,797)	
PROFIT ON ORDINARY ACTIVITIES					
BEFORE TAXATION	3	1,485,752		580,140	
Tax on Profit on Ordinary Activities	8	429,676		227,631	
PROFIT ON ORDINARY ACTIVITIES					
AFTER TAXATION		1,056,076		£ 352,509	
STATEMENT OF RETAINED PROFIT					
Retained Profit Brought Forward		1,533,842		1,181,333	
Retained Profit for the Year		1,056,076		352,509	
Retained Profit Carried Forward		2,589,918		1,533,842	

HURST PUBLISHING LIMITEDBALANCE SHEET
AS AT 31ST MARCH 1991

	Note	£	1991	£	1990	£
FIXED ASSETS						
Tangible assets	9		4,059,536		3,551,066	
Investments	11		2,252,035		1,990,333	
			<u>6,311,571</u>		<u>5,541,399</u>	
CURRENT ASSETS						
Stock	12	45,158		79,016		
Debtors	13	3,633,360		2,635,540		
Cash at bank and in hand		1,849,002		4,140,757		
		<u>5,527,520</u>		<u>6,855,313</u>		
Creditors - amounts falling due within one year						
Bank overdrafts		-		453,306		
Trade creditors		1,296,992		1,568,009		
Sundry creditors	14	7,869,490		8,797,011		
		<u>9,166,482</u>		<u>10,818,326</u>		
NET CURRENT LIABILITIES			<u>3,638,962</u>		<u>3,963,013</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,672,609</u>		<u>1,578,386</u>	
Provision for Liabilities and Charges	15		82,591		44,444	
			<u>2,590,018</u>		<u>1,533,942</u>	
<u>CAPITAL AND RESERVES</u>						
Called up Share Capital	16		100		100	
Reserves	17					
Profit and loss account			2,589,918		1,533,842	
Shareholder's Funds			<u>2,590,018</u>		<u>1,533,942</u>	

..... R J Madejski)

..... R Gibbons)

) DIRECTORS

HURST PUBLISHING LIMITEDSTATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31ST MARCH 1991

	<u>1991</u>	<u>1990</u>
	£	£
<u>SOURCE OF FUNDS</u>		
Profit on Ordinary Activities Before Taxation	1,485,752	580,140
Items Not Involving the Movement of Funds:		
Amounts Written Off Fixed Assets	424,840	330,408
Profit on Disposal of Fixed Assets	(103,460)	(6,569)
	<u>321,380</u>	<u>323,839</u>
<u>FUNDS GENERATED FROM OPERATIONS</u>	<u>1,807,132</u>	<u>903,979</u>
<u>FUNDS FROM OTHER SOURCES</u>		
Sale of Fixed Assets	320,830	93,928
Decrease in Fixed Asset Investments	-	107,976
	<u>320,830</u>	<u>201,904</u>
	<u>2,127,962</u>	<u>1,105,883</u>
<u>APPLICATION OF FUNDS</u>		
Purchase of Fixed Assets	1,145,681	397,687
Increase in Fixed Asset Investments	261,702	-
Tax Paid	647,353	473,875
	<u>2,054,736</u>	<u>871,562</u>
<u>INCREASE IN WORKING CAPITAL</u>	<u>£ 73,226</u>	<u>£ 234,321</u>
Representing (funded by)		
(Decrease) in Stocks	(33,858)	(5,071)
Increase in Debtors	997,820	753,886
Decrease/(Increase) in Creditors	947,713	(3,138,717)
Decrease/(Increase) in Bank Overdrafts	453,306	(407,384)
(Decrease)/Increase in Cash and Bank	(2,291,755)	3,031,607
	<u>£ 73,226</u>	<u>£ 234,321</u>

HURST PUBLISHING LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 19911. Accounting Policiesa. Convention

These financial statements have been prepared in accordance with the historical cost convention modified to incorporate the revaluation of certain land and buildings. The principal accounting policies which the directors have adopted within that convention are set out below.

b. Turnover

Turnover is the amount derived from the provision of goods and services falling within the company's ordinary activities after deduction of trade discounts and value added tax.

c. Deferred Taxation

Provision is made for taxation liabilities arising from the allocation of items to different periods for taxation and for accounting purposes, except where it is probable that a liability will not crystallise because of the availability of tax allowances for fixed asset expenditure in advance of depreciation. In establishing the likely pattern of future tax liabilities, the directors undertook a review at the balance sheet date of past investment patterns and expected future levels of capital expenditure and depreciation. The provision is established at the corporation tax rates anticipated to be in force at the time each deferred liability will ultimately crystallise. Advance corporation tax which is available to reduce the corporation tax payable on future profits is deducted from the provision for deferred taxation.

d. Tangible Fixed Assets and Depreciation

No depreciation is provided on freehold land and assets in the course of construction.

For all other tangible fixed assets depreciation is calculated to write down their cost or valuation to their estimated residual values by annual instalments over the period of their useful economic lives, which are considered to be:

Freehold buildings and long leasehold property	- 50 years
Short leasehold property	- The period of the lease
Plant and machinery, fixtures and fittings	- Between 4 and 10 years

e. Leased Assets

Fixed assets leased under finance leases are capitalised and depreciated over their expected useful lives. The finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding. The costs of operating leases are charged to the profit and loss account as they accrue.

f. Stock and Work in Progress

Stock and work in progress are stated at the lower of cost and net realisable value. Cost is calculated as follows:

Raw materials, bought-out parts	
and consumable stores	- Average purchase price

g. Pensions

The company operates an externally funded pension scheme covering the majority of its employees. Contributions are normally charged against profits as the contributions are made.

HURST PUBLISHING LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 19911. Accounting Policies continued2. TURNOVER

The turnover and profit before taxation is attributable to the principal activity of the company, and is earned entirely within the United Kingdom.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1991</u> £	<u>1990</u> £
Profit on Ordinary Activities before taxation is arrived at after charging:		
Amounts Written Off Intangible Assets	5,000	-
Amounts Written Off Tangible Assets	316,380	323,839
	<u>321,380</u>	<u>323,839</u>
Legal Professional & Debt Collection	69,396	48,786
Auditors' Remuneration	24,105	26,281
	<u>94,501</u>	<u>75,067</u>

The trade previously carried on by a 100% subsidiary of Hurst Publishing Limited was taken over by the Company at 1st April 1990. Had the results of this subsidiary been included in the accounts to 31st March 1990, turnover would have been increased by £3,673,930; Directors' Remuneration by £960,915 and Net Profit by £140,162.

HURST PUBLISHING LIMITED

6c.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 1991

4. EMPLOYEES

The average number employed by the company, which includes directors, within each category of persons was:

	<u>1991</u>	<u>1990</u>
Sales & Marketing		
Production	264	221
Administration & Management	60	67
	99	107
	<u>423</u>	<u>395</u>

The costs incurred in respect of these employees were:

	<u>1991</u> £	<u>1990</u> £
Wages and Salaries	9,539,160	8,596,441
Pension Contributions	158,284	142,257
	<u>9,697,444</u>	<u>8,738,698</u>

Emoluments excluding pension contributions of employees other than directors earning more than £30,000 (other than those whose duties were totally discharged wholly or mainly outside the United Kingdom) were as follows:

	<u>No. of Employees</u> <u>1991</u>	<u>1990</u>
£30001 - £35000	7	2
£35001 - £40000	1	-
£40001 - £45000	1	1
£50001 - £55000	2	2
£75001 - £150000	2	2
	<u>13</u>	<u>7</u>

5. DIRECTORS

Emoluments of directors of the company were as follows:

	<u>1991</u> £	<u>1990</u> £
Management Remuneration	6,488,550	5,331,600
	<u>6,488,550</u>	<u>5,331,600</u>

The fees and management remuneration of directors (other than those whose duties were wholly or mainly discharged outside the United Kingdom) were as follows:

Chairman & Highest Paid Director	<u>3,900,000</u>	<u>3,200,000</u>
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Other Directors

	<u>No. of directors</u> <u>1991</u>	<u>1990</u>
£1595001 - £1600000	-	1
£1945001 - £1950000	1	-

HURST PUBLISHING LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 19916. OTHER OPERATING INCOME

	<u>1991</u>	<u>1990</u>
	£	£
Franked Investment Income	916,733	555,503
Loan Interest Received	49,474	5,369
Bank Deposit Interest	510,103	330,469
	<u>1,476,310</u>	<u>891,341</u>

7. INTEREST PAYABLE

	<u>1991</u>	<u>1990</u>
	£	£
Bank Charges & Interest	<u>116,163</u>	<u>102,797</u>

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1991</u>	<u>1990</u>
	£	£
Taxation is based on the Profit for the Year and Comprises:		
Corporation Taxation	164,492	103,054
Over/Under Provisions in Earlier Years	(1,331)	481
Tax Credit on Franked Investment Income	229,183	138,876
Deferred Taxation	37,332	(14,780)
	<u>429,676</u>	<u>227,631</u>

HURST PUBLISHING LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 19919. TANGIBLE ASSETS

<u>COST</u>	Motor Vehicles £	Plant and Equipment £	Fixtures and Fittings £	Land and Buildings £	TOTAL £
At 1st April 1990	753,116	322,999	646,714	2,542,809	4,265,638
Additions	593,316	59,661	467,911	24,793	1,145,681
Disposals	(312,190)	-	(88)	(95,000)	(407,278)
At 31st March 1991	1,034,242	382,660	1,114,537	2,472,602	5,004,041
<u>DEPRECIATION</u>					
At 1st April 1990	286,280	195,915	173,549	58,829	714,573
Charge for the year	239,745	53,048	114,971	12,076	419,840
Withdrawn on Disposals	(186,323)	-	-	(3,585)	(189,908)
At 31st March 1991	339,702	248,963	288,520	67,320	944,505
<u>NET BOOK VALUE</u>					
At 31st March 1991	694,540	133,697	826,017	2,405,282	4,059,536
At 31st March 1990	466,837	127,084	473,165	2,483,980	3,551,066

10. LAND AND BUILDINGS

Land and buildings comprise:

	<u>1991</u>	<u>1990</u>
<u>Net Book Value</u>	£	£
Freehold	2,405,282	2,483,980

11. FIXED ASSET INVESTMENT

<u>COST</u>	Related Companies Shares at Cost £	Listed and Unlisted Investments £	Total £
At 1st April 1990	1,981,533	8,800	1,990,333
Amount during Year	261,702		261,702
At 31st March 1991	2,243,235	8,800	2,252,035

Inter-Company loans are shown as current Assets/Liabilities per notes 13 and 14.

HURST PUBLISHING LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 199112. STOCKS

	<u>1991</u>	<u>1990</u>
	£	£
Consumable Stock	45,158	79,016

13. DEBTORS

	<u>1991</u>	<u>1990</u>
	£	£
Trade debtors	1,798,925	1,461,086
Amounts owed by group companies	427,143	-
Amounts owed by related companies	1,204,663	890,091
Prepayments and accrued income	202,629	284,363
	<u>3,633,360</u>	<u>2,635,540</u>

14. SUNDRY CREDITORS

	<u>1991</u>	<u>1990</u>
	£	£
Amounts owed to group companies	405,172	400,339
Other creditors	3,839,812	3,710,980
Corporation tax	(236,361)	18,648
Other taxation and social security	3,860,867	4,667,044
	<u>7,869,490</u>	<u>8,797,011</u>

15. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>1991</u>	<u>1990</u>
	£	£
Deferred Taxation	82,591	44,444
Deferred Taxation		£
At Start of Year		44,444
Charge for Year		36,001
Archpool Limited		2,146
At End of Year		<u>82,591</u>

Provision is made for taxation liabilities arising from the allocation of items to different periods for taxation and for accounting purposes, except where it is probable that a liability will not crystallise.

HURST PUBLISHING LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 199116. SHARE CAPITAL

	<u>1991</u>	<u>1990</u>
	£	£
Authorized		
Authorized Share Capital - Ordinary	100	100
	<u> </u>	<u> </u>
Allotted		
Share Capital	100	100
	<u> </u>	<u> </u>

17. RESERVES

	Profit and Loss Account £
Balance at 1st April 1990	1,533,842
Retained Profit for the Year	1,056,076
	<u> </u>
Balance at 31st March 1991	2,589,918
	<u> </u>

18. POST BALANCE SHEET EVENTS

Subsequent to the Balance Sheet date the Company purchased Freehold Property and Equipment at a cost of £4.5 million.