

Registered number
1475376

HOLLIS PUBLISHING LIMITED

Report and Accounts

30 June 2007

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HOLLIS PUBLISHING LIMITED
Report and accounts
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HOLLIS PUBLISHING LIMITED
Company Information

Directors

R A Conwell
M Harrington
A Zahedieh
N Smith

Secretary

A Zahedieh

Auditors

PKF (UK) LLP
Farringdon Place
20 Farringdon Road
London
EC1M 3AP

Registered office

Paulton House
8 Shepherdess Walk
London N1 7LB

Registered number

1475376

HOLLIS PUBLISHING LIMITED

Directors' Report

The directors present their report and accounts for the year ended 30 June 2007

Overview of financial performance

Revenue from continuing operations increased from £2,451,000 to £3,094,000, whilst operating profit improved from a loss of £76,000 to a profit of £141,000

This year has been one of transition, with the new management team developing a structure that will ensure the business moves forward in a stronger, more dynamic way. The results for this year showed encouraging signs of the improving performance, considerably supported by the acquisitions made last year. The directors believe the company will continue to have a more profitable and robust future.

Cash flow and treasury policy

Cash, debt and foreign exchange exposure is managed on a group wide basis by the company's parent company, Wilmington Group plc. The company operates within funding restrictions controlled by the executive directors of the parent company.

Business objective and strategy

The company's strategy is to deliver sustainable and growing profit from its portfolio of publications and events in the PR market, through continued commitment to building strong management teams, organisational effectiveness, investment in technology and tight cost control.

Key financial and operational targets

The directors consider the operating profit before amortisation of intangibles and margin improvements as the two main key financial targets against which the portfolio of publications and events of the company is measured. The company made progress in the former target and remained static at the gross margin % during the year. The directors expect further improvements in the coming year.

Principal risk and uncertainty

The key challenges arise from the highly competitive and rapidly changing nature of our market. The increasing technological nature of our products and services and the impact of economic cycles on advertising and promotional spending. The company reviews its principal risks and uncertainties six monthly in accordance with its parent company's policy and reports its findings.

Company's people

The directors believe that the only way the company can achieve its level of desired growth is to attract and retain the very best people. It does this by ensuring that the company remains a place to work where people have the opportunity to challenge themselves, to develop both professionally and personally and where they can benefit from competitive remuneration packages.

Social and community

The board seeks to run a socially responsible company which has a positive impact on the communities in which it operates. It seeks to employ a workforce that reflects the diversity of both its customers and the communities in which it is located. It does not discriminate on the grounds of age, sex, race, colour, ethnicity, religion, sexual orientation or disability.

HOLLIS PUBLISHING LIMITED

Directors' Report

Environmental policies

Whilst the company has no manufacturing base and therefore produces no major polluting emissions that affect the environment, it remains mindful of its impact on the environment. The principal environmental impacts arise from its usage of paper and the printing and packaging waste generated by suppliers during the course of their provision of services to the company. The company aims to mitigate these impacts by informed purchasing policies and by selecting suppliers with a responsible approach to environmental issues.

Future developments

The directors believe that the company will continue to grow its profitability in the foreseeable future.

Directors

The following directors served during the year:

R A Conwell
M Harrington
A Zahedieh
N Smith

Political and charitable donations

During the year, the company made no political contributions and no charitable contributions.

Disclosure of information to auditors

So far as each director at the date of approval of this report is aware:

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

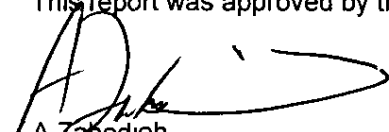
Financial instruments

The company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to price or liquidity risk.

Auditors

A resolution for the reappointment of PKF (UK) LLP will be proposed at the forthcoming annual general meeting.

This report was approved by the board on 24 September 2007



A Zahedieh
Director

HOLLIS PUBLISHING LIMITED

Statement of Directors' Responsibilities

The directors are responsible for preparing the report and financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 that 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included in the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

HOLLIS PUBLISHING LIMITED
Independent auditors' report
to the members of HOLLIS PUBLISHING LIMITED

We have audited the financial statements of Hollis Publishing Limited for the year ended 30 June 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 directors' remuneration and other transactions with the company is not disclosed.

We read the directors' report and consider the implication for our report if we become aware of any apparent misstatement within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

London, UK
~~September~~ 11 October 2007

PKF(UK) LLP
PKF (UK) LLP
Registered auditors

HOLLIS PUBLISHING LIMITED
Profit and Loss Account
for the year ended 30 June 2007

	Notes	2007 £	2006 £
Turnover	2	3,093,867	2,450,900
Cost of sales		(791,093)	(604,114)
Gross profit		<u>2,302,774</u>	<u>1,846,786</u>
Distribution costs		(79,201)	(63,071)
Administrative expenses		(1,883,570)	(1,518,084)
Amortisation of intangible assets		(198,576)	(111,155)
Impairment of investment		-	(230,000)
Operating profit/(loss)	3	<u>141,427</u>	<u>(75,524)</u>
Income from investments		-	600,000
Profit on ordinary activities before taxation		<u>141,427</u>	<u>524,476</u>
Tax on profit on ordinary activities	6	(92,030)	(47,300)
Profit for the financial year		<u>49,397</u>	<u>477,176</u>

Continuing operations

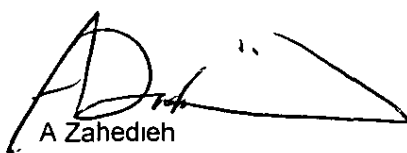
None of the company's activities were acquired or discontinued during the above two financial years

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the profit for the above two financial years

HOLLIS PUBLISHING LIMITED
Balance Sheet
as at 30 June 2007

	Notes	2007 £	2006 £
Fixed assets			
Intangible assets	7	3,197,144	3,352,450
Tangible assets	8	126,113	41,348
Investments	9	29,019	29,019
		<u>3,352,276</u>	<u>3,422,817</u>
Current assets			
Stocks	10	344,258	324,549
Debtors	11	1,698,656	1,301,954
Cash at bank and in hand		-	13,625
		<u>2,042,914</u>	<u>1,640,128</u>
Creditors: amounts falling due within one year	12	(5,000,280)	(5,010,645)
Net current liabilities		<u>(2,957,366)</u>	<u>(3,370,517)</u>
Total assets less current liabilities		<u>394,910</u>	<u>52,300</u>
Provisions for liabilities			
Deferred taxation	13	(69,177)	(75,864)
Net assets/(liabilities)		<u>325,733</u>	<u>(23,564)</u>
Capital and reserves			
Called up share capital	14	300,000	100
Profit and loss account	15	25,733	(23,664)
Shareholders' funds	17	<u>325,733</u>	<u>(23,564)</u>


A Zahedieh
Director

Approved and authorised for issue by the board and signed on its behalf on 26 September 2007

HOLLIS PUBLISHING LIMITED
Notes to the Accounts
for the year ended 30 June 2007

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards

Turnover

Turnover represents the invoiced value of goods sold and services provided by the company during the period, stated net of Value Added Tax. Subscription revenue is allocated to the relevant accounting periods covered by the subscription. Events revenue is recognised in the month that the event takes place. Advertising revenue is recognised on publication. Subscription and fees in advance are carried forward in creditors' amounts falling due within one year.

Goodwill and intangible assets

Purchased goodwill and intangible assets are capitalised and amortised through the profit and loss account over the estimated useful lives not exceeding 20 years.

Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at the following annual rates, on a straight line basis, in order to write off each asset over its estimated useful life:

Fixtures and fittings	over 5 years
Computer equipment	25% - 33% per annum

Stock and work in progress

Stock is valued at the lower of cost and net realisable value.

Deferred taxation

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes.

Deferred tax is calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Operating leases

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

HOLLIS PUBLISHING LIMITED
Notes to the Accounts
for the year ended 30 June 2007

Cash flow statement

The company has taken advantage of the exemption permitted by the Financial Reporting Standard No 1 whereby a cash flow statement need not be prepared by a wholly owned subsidiary undertaking of a parent which publishes consolidated financial statements including a cash flow statement

Related party transactions

The company has taken advantage of the exemption permitted by the Financial Reporting Standard No 8 whereby a 90% or more owned subsidiary within a group is not required to disclose related party transactions with other 90% or more owned subsidiaries

2 Turnover

Turnover is attributable to the main activity of the company

Analysis by geographical market	2007 £	2006 £
United Kingdom	2,663,447	2,281,835
Other	430,420	169,065
	<u>3,093,867</u>	<u>2,450,900</u>

3 Operating profit/(loss)

	2007 £	2006 £
This is stated after charging		
Depreciation of owned fixed assets	38,341	14,386
Amortisation of goodwill	198,576	111,155
Operating lease rentals - land buildings	46,500	46,500
Auditors' remuneration for audit services	<u>4,250</u>	<u>10,473</u>

Fees paid to the company's auditor, PKF (UK) LLP, and its associates for services other than statutory audit of the company are not disclosed in the Hollis Publishing Limited financial statements since the consolidated financial statements of the company's ultimate parent, Wilmington Group plc, are required to disclose non-audit fees on a consolidated basis

4 Directors' emoluments

	2007 £	2006 £
Emoluments	-	195,568
Company contributions to money purchase pension schemes	<u>-</u>	<u>9,263</u>
	<u>-</u>	<u>204,831</u>
Highest paid director		
Emoluments	-	96,923
Company contributions to money purchase pension schemes	<u>-</u>	<u>4,789</u>
	<u>-</u>	<u>101,712</u>

Number of directors in company pension schemes

	2007 Number	2006 Number
Money purchase schemes	<u>-</u>	<u>3</u>

HOLLIS PUBLISHING LIMITED
Notes to the Accounts
for the year ended 30 June 2007

The company's directors are directors of the company's parent undertaking and are remunerated by other group companies. Their emoluments are disclosed in the accounts of those companies and are not included in the staff numbers in note 5.

During the year £30,000 was paid to one former director as compensation for loss of office.

5 Staff costs	2007 £	2006 £
Wages and salaries	1,095,364	913,229
Social security costs	110,292	95,036
Other pension costs	22,170	37,913
	<u>1,227,826</u>	<u>1,046,178</u>

Average number of employees during the year	Number	Number
Administration	6	6
Marketing	1	1
Sales	33	22
	<u>40</u>	<u>29</u>

6 Taxation	2007 £	2006 £
Analysis of charge in period		
Current tax		
UK corporation tax on profits of the period	73,258	57,362
Adjustments in respect of previous periods	25,459	(2,341)
	<u>98,717</u>	<u>55,021</u>
Deferred tax		
Origination and reversal of timing differences	(6,687)	(7,721)
	<u>92,030</u>	<u>47,300</u>
Tax on profit on ordinary activities		
	<u>92,030</u>	<u>47,300</u>

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2007 £	2006 £
Profit on ordinary activities before tax	<u>141,427</u>	<u>524,476</u>
Standard rate of corporation tax in the UK	30%	30%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	42,428	157,343
Effects of		
Expenses not deductible for tax purposes	35,236	(89,760)
Capital allowances for period in excess of depreciation	(4,406)	(10,221)
Adjustments to tax charge in respect of previous periods	25,459	(2,341)
Current tax charge for period	<u>98,717</u>	<u>55,021</u>

HOLLIS PUBLISHING LIMITED
Notes to the Accounts
for the year ended 30 June 2007

7 Intangible fixed assets	£	£	£
Goodwill		Intangible Assets	Total
Cost	Goodwill		
At 1 July 2006	2,321,250	1,607,000	3,928,250
Additions	10,627	32,643	43,270
At 30 June 2007	<u>2,331,877</u>	<u>1,639,643</u>	<u>3,971,520</u>
Amortisation			
At 1 July 2006	569,104	6,696	575,800
Provided during the year	116,594	81,982	198,576
At 30 June 2007	<u>685,698</u>	<u>88,678</u>	<u>774,376</u>
Net book value			
At 30 June 2007	<u>1,646,179</u>	<u>1,550,965</u>	<u>3,197,144</u>
At 30 June 2006	<u>1,752,146</u>	<u>1,600,304</u>	<u>3,352,450</u>

8 Tangible fixed assets	Computer equipment £	Fixtures & fittings £	Total £
Cost			
At 1 July 2006	287,853	-	287,853
Additions	88,409	34,697	123,106
At 30 June 2007	<u>376,262</u>	<u>34,697</u>	<u>410,959</u>
Depreciation			
At 1 July 2006	246,505	-	246,505
Charge for the year	34,102	4,239	38,341
At 30 June 2007	<u>280,607</u>	<u>4,239</u>	<u>284,846</u>
Net book value			
At 30 June 2007	<u>95,655</u>	<u>30,458</u>	<u>126,113</u>
At 30 June 2006	<u>41,348</u>	<u>-</u>	<u>41,348</u>

9 Investments	Investments in subsidiary undertakings £
Cost	
At 1 July 2006	29,019
At 30 June 2007	<u>29,019</u>

The company holds 20% or more of the share capital of the following companies

Company	Country of registration or incorporation	Shares held Class	%
Showcase Publications Limited	England and Wales	Ordinary	100
Corporate Events Publishing Ltd	England and Wales	Ordinary	100

HOLLIS PUBLISHING LIMITED
Notes to the Accounts
for the year ended 30 June 2007

10 Stocks	2007	2006
	£	£
Work in progress	336,178	321,526
Finished goods and goods for resale	8,080	3,023
	<u>344,258</u>	<u>324,549</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material

11 Debtors	2007	2006
	£	£
Trade debtors	1,636,343	779,015
Amounts owed by group undertakings and undertakings in which the company has a participating interest	-	482,472
Other debtors	913	1,244
Prepayments and accrued income	61,400	39,223
	<u>1,698,656</u>	<u>1,301,954</u>

12 Creditors amounts falling due within one year	2007	2006
	£	£
Bank loans and overdrafts	145,541	-
Trade creditors	184,328	136,925
Amounts owed to group undertakings and undertakings in which the company has a participating interest	3,897,804	4,465,592
Corporation tax	73,258	57,362
Other taxes and social security costs	242,314	135,406
Other creditors	1,189	2,023
Accruals and deferred income	455,846	213,337
	<u>5,000,280</u>	<u>5,010,645</u>

13 Deferred taxation	2007	2006
	£	£
Accelerated capital allowances	83,293	94,449
Undiscounted provision for deferred tax	83,293	94,449
Discount	(14,116)	(18,585)
Discounted provision for deferred tax	<u>69,177</u>	<u>75,864</u>
	2007	2006
	£	£
At 1 July	75,864	83,585
Deferred tax (credit) in profit and loss account	(6,687)	(7,721)
At 30 June	<u>69,177</u>	<u>75,864</u>

HOLLIS PUBLISHING LIMITED
Notes to the Accounts
for the year ended 30 June 2007

14 Share capital			2007	2006
			£	£
Authorised				
Ordinary shares of £1 each			300,000	100
	2007	2006	2007	2006
	No	No	£	£
Allotted, called up and fully paid				
Ordinary shares of £1 each	300,000	100	300,000	100

During the year two tranches of 200,000 and 99,900 ordinary shares of £1 each in the company were allotted and issued to Hollis Directories Limited, the company's holding company. The shares were paid for by the capitalisation of the inter-company debt.

15 Profit and loss account		2007	2006
		£	£
At 1 July		(23,664)	1,699,160
Profit for the financial year		49,397	477,176
Dividends		-	(2,200,000)
At 30 June		25,733	(23,664)

16 Dividends		2007	2006
		£	£
Dividends for which the company became liable during the year			
Dividends paid		-	2,200,000

17 Reconciliation of movement in shareholders' funds		2007	2006
		£	£
At 1 July		(23,564)	1,699,260
Profit for the financial year		49,397	477,176
Dividends		-	(2,200,000)
Shares issued		299,900	-
At 30 June		325,733	(23,564)

18 Other financial commitments

At the year end the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings	Land and buildings	Other	Other
	2007	2006	2007	2006
	£	£	£	£
Operating leases which expire within two to five years	46,500	46,500	-	-

HOLLIS PUBLISHING LIMITED
Notes to the Accounts
for the year ended 30 June 2007

19 Contingent liabilities

The company has entered into a cross guarantee in respect of a committed bank facility of £60 million expiring in March 2012. At the year end, the company had a contingent liability of £13 million (2006: £16 million) in respect of a drawdown of this facility.

The company has entered into an unlimited cross guarantee with the Group's bankers in respect of the net £10 million overdraft facilities extended to certain of the company's subsidiaries and parent company. At 30 June 2007 the company's gross contingent liability in respect of this facility was £8,539,575.

20 Related parties

The company is a wholly owned subsidiary of Wilmington Group plc which together with other wholly owned subsidiaries offer certain group wide purchasing facilities to the company's fellow subsidiaries whereby the actual costs are recharged. However, the following other services were provided during the period for which appropriate charges, as set out below, were made:

	2007 £	2006 £
Provision of management services from Wilmington Business Information Limited	150,000	-
Provision of finance and personnel services from Wilmington Media Limited	51,960	-

21 Controlling party

The directors regard Hollis Directories Limited as the immediate parent undertaking and Wilmington Group plc, a company registered in England and Wales, as the company's ultimate parent undertaking. Copies of the accounts of Wilmington Group plc, the smallest and largest group for which consolidated accounts are prepared, may be obtained from the registered office at Paulton House, 8 Shepherdess Walk, London N1 7LB.