

CORNHILL PUBLICATIONS LIMITED

**ANNUAL REPORT AND ACCOUNTS
31 MARCH 2004**

Registered Number 1564127



CORNHILL PUBLICATIONS LIMITED

DIRECTORS' REPORT for the year ended 31 March 2004

The Directors present their annual report together with the audited accounts for the year ended 31 March 2004.

Trading results and dividends

The results for the year to 31 March 2004 are set out on page 7. The loss for the year after taxation amounted to £1,224,000 (2003: £828,000). No dividend was paid during the year (2003: £nil) and the Directors propose that the retained loss of £1,224,000 (2003: £828,000) should be transferred from reserves.

Turnover was down 2.4% this year. Gross margins were 45.6% (2003: 52.9%).

Principal activities and likely future developments

The principal activity of the Company is the publication of quarterly and annual trade and technical reference books both independently and on behalf of trade and professional bodies and this is expected to continue for the foreseeable future. During the year the Company held six forums (2003: three) and has plans to increase this activity in future years.

Directors

The Directors of the Company, who served during the year, were:-

S P Nicholson (appointed 1 December 2003)
C J M Haines (resigned 25 February 2004)
S E Kessler (resigned 24 March 2004)
D S Watson (resigned 31 March 2005)
L S Garman (resigned 5 September 2003)
F P Wilton (resigned 8 December 2003)
R A Norton (resigned 13 June 2003)
C A Barker (resigned 13 Feb 2004)

S J Davidson was appointed as a Director on 23 March 2005.

No Director had any interests in the shares of the Company or in contracts with the Company other than under a service contract.

All of the Directors are directors of the ultimate parent company, SPG Media Group plc ("SPG"). Their interests in the share capital of that company are disclosed in that company's accounts.

Under the Company's articles of Association the Directors are not required to retire by rotation.

CORNHILL PUBLICATIONS LIMITED

DIRECTORS' REPORT - CONTINUED for the year ended 31 March 2004

Employment policies

The Company's employment policies, including the commitment to equal opportunities, are designed to attract retain and motivate the very best staff regardless of sex, race, religion or disability. Good and effective employee communications are particularly important, and it is the Company's policy to promote the understanding and involvement of all its employees in the Company's business aims and performance.

Payments to suppliers

Operating businesses are responsible for agreeing the terms and conditions under which business transactions with their suppliers are conducted. It is Company policy that payments to suppliers are made in accordance with these terms, provided that the supplier also complies with all relevant terms and conditions. Company trade creditors at 31 March 2004 were equivalent to nine days of purchases during the year ended on that date (2003: eight days).

Charitable donations

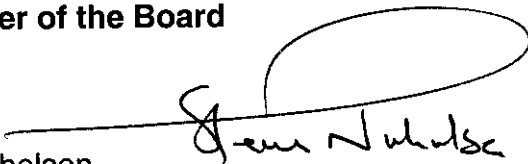
The Company made no charitable donations during the year (2003: £ nil).

Auditors

The Company has elected to dispense with the obligation to appoint auditors annually and accordingly, Deloitte & Touche LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of section 386(2) of the Companies Act 1985.

By Order of the Board

S P Nicholson
Director



• 2005

8/6/2005

CORNHILL PUBLICATIONS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

United Kingdom 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 as at the end of the financial year and of its profit or loss for that year. 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;
- State whether applicable United Kingdom accounting standards have been followed; and
- 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 one 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 the system of internal control, for safeguarding the assets of the Company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORNHILL PUBLICATIONS LIMITED

We have audited the financial statements of Cornhill Publications Limited for the year ended 31 March 2004, which comprise the profit and loss account, the statement of retained earnings, the balance sheet, and the related notes 1 to 19. 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

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 United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 Directors' remuneration and transactions with the Company is not disclosed.

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

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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORNHILL PUBLICATIONS
LIMITED - CONTINUED**

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 March 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London

[*9 June*] 2005

CORNHILL PUBLICATIONS LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 March 2004

	Note	2004 £'000	2003 £'000
Turnover	1, 2	8,158	8,358
Cost of sales		(4,441)	(3,933)
Gross profit		3,717	4,425
Distribution costs		(398)	(379)
Administrative expenses	4	(4,504)	(4,811)
Operating loss	3	(1,185)	(765)
Interest payable and similar charges	7	(39)	(63)
Loss on ordinary activities before taxation		(1,224)	(828)
Tax on loss on ordinary activities	8	-	-
Loss on ordinary activities after taxation and transferred to reserves	15	(1,224)	(828)

Statement of retained earnings

	2004 £'000	2003 £'000
At 1 April 2003	10,315	11,143
Loss for the year transferred from reserves	(1,224)	(828)
At 31 March 2004	9,091	10,315

Both years' results derive from continuing operations.

Apart from the loss for the year transferred from reserves there have been no other recognised gains or losses relating to either year. Accordingly, no statement of recognised gains and losses is presented.

The notes on pages 9 to 16 form an integral part of these accounts.

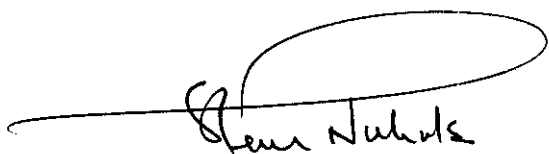
CORNHILL PUBLICATIONS LIMITED

BALANCE SHEET at 31 March 2004

	Note	2004 £'000	2003 £'000
Fixed assets			
Tangible assets	9	158	223
		158	223
Current assets			
Work in progress	10	1,672	1,251
Debtors	11	10,751	11,574
Cash at bank and in hand		61	-
		12,484	12,825
Creditors - amounts falling due within one year	12	(1,948)	(1,838)
Net current assets		10,536	10,987
Total assets less current liabilities		10,694	11,210
Provisions for liabilities and charges	13	(1,598)	(890)
Net assets		9,096	10,320
Capital and reserves			
Called up share capital	14	5	5
Profit and loss account		9,091	10,315
Equity shareholders' funds	15	9,096	10,320

The notes on pages 9 to 16 form an integral part of these accounts.

The accounts were approved by the Board of Directors on [4th June] 2005 and signed on their behalf by:



S P Nicholson
Director

CORNHILL PUBLICATIONS LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 March 2004

1 Accounting policies

Accounting convention

The accounts are prepared under the historical cost convention and are in accordance with applicable United Kingdom law and accounting standards and have been applied consistently in the current and preceding year.

Turnover

Turnover, which excludes value added tax, comprises amounts invoiced for services performed or advertisements placed in books published by the Company during the year. Books are treated as published when the Company has completed those tasks for which it is directly responsible, under its contractual arrangements.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided to write off the cost or valuation, less the estimated residual value, on all tangible fixed assets over their expected useful lives. The principal rates used for this purpose are as follows:

Fixtures, fittings and equipment	- 20% per annum on a straight-line basis
Short Leasehold premises	- Over the term of the lease

Work in progress

Costs incurred on books unpublished at the year end, including attributable overheads, are treated as work-in-progress which is valued at the lower of cost and net realisable value.

Leasing commitments

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the lease payments during the lease term. The corresponding lease commitments are shown as amounts payable to the lessor. Depreciation of the relevant asset is charged to the profit and loss account.

Lease payments are split between capital and interest, on a straight-line basis, evenly over the period of the lease. The interest is charged to the profit and loss account.

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

CORNHILL PUBLICATIONS LIMITED

NOTES TO THE ACCOUNTS – CONTINUED for the year ended 31 March 2004

1 Accounting policies (continued)

Foreign currencies

Transactions denominated in foreign currencies are translated into the functional currency at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are re-translated at the rates ruling at that date.

All exchange differences arising are included in the profit and loss account.

Taxation

The Company is party to a Group Payment Arrangement with the Inland Revenue under which all tax liabilities are met by SPG. Accordingly, any liabilities for corporation tax form part of amounts due to/from balances with the ultimate parent company. No charge is made for losses claimed or surrendered under group relief provisions.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded, as more likely than not that they will be recovered. Deferred tax is measured on a non-discounted basis.

Pension schemes

The Company's pension contributions to pension schemes for its employees, all of which are defined contribution schemes, are charged against profit in the year in which they fall due.

2 Turnover

A geographical analysis of the Company's turnover by destination is as follows:

	2004	2003
	£'000	£'000
United Kingdom	860	5,297
United States	2,263	749
Europe	4,164	2,072
Rest of World	871	240
	8,158	8,358

The Directors consider the activities of the business to constitute a single class of business, originating wholly in the United Kingdom.

CORNHILL PUBLICATIONS LIMITED

NOTES TO THE ACCOUNTS – CONTINUED for the year ended 31 March 2004

3 Operating loss

Operating loss is stated after charging:

	2004	2003
	£'000	£'000
Directors' remuneration	192	434
Auditors' remuneration - Audit fees	10	11
Depreciation - owned assets	101	145
Operating leases – other	327	161
- plant and machinery	124	189

4 Exceptional items

The following exceptional operating costs are included in administrative expenses:

	2004	2003
	£'000	£'000
Property provision	936	760
	936	760

The property provision represents the additional charge required in respect of non-operational properties held by the Company.

5 Employees

Staff costs of all employees, including executive Directors consist of:

	2004	2003
	£'000	£'000
Wages and salaries	4,418	4,173
Social security costs	482	403
Pension costs	46	27
	4,946	4,603

	No.	No.
The average number of employees including executive Directors during the year was :	108	163

CORNHILL PUBLICATIONS LIMITED

NOTES TO THE ACCOUNTS – CONTINUED for the year ended 31 March 2004

6 Directors

The aggregate amount of emoluments paid to or receivable by Directors of the Company in respect of their services to the Company, excluding pension contributions, was nil (2003: £402,000) as no emoluments were paid to Directors explicitly for services to the Company. However the amount attributable to the Company for group director emoluments was £176,000. The aggregate amount of Company contributions in respect to defined pension schemes was £16,000 (2003: £32,000). Three Directors have benefits accruing to them under defined contribution pension schemes.

7 Interest payable and similar charges

	2004	2003
	£'000	£'000
Interest on bank loans and overdrafts	-	6
Unwinding of discount on property provision	41	43
Interest on finance leases and hire purchase contracts, repayable by instalments within five years	-	14
	41	63
Interest receivable and other income	2	-
	2	-
	39	63

8 Tax on loss on ordinary activities

	2004	2003
	£'000	£'000
United Kingdom corporation tax at 30% (2003: 30%)	-	-
Loss on ordinary activities before taxation	(1,224)	(828)
Corporation tax at 30% (2003: 30%)	(367)	(248)
Effects of:		
Capital allowances in excess of depreciation of eligible assets	11	20
General bad debt provisions	(16)	(12)
Losses not utilised in the period	372	129
Group relief	-	111
	-	-

CORNHILL PUBLICATIONS LIMITED

NOTES TO THE ACCOUNTS – CONTINUED for the year ended 31 March 2004

8 Tax on loss on ordinary activities (continued)

There was a deferred tax asset not recognised at the end of the year comprising:

	2004	2003
	£'000	£'000
General bad debt provisions	58	75
Capital allowances in excess of depreciation of eligible fixed assets	12	21
Losses carried forward	501	128
As at the end of the year	571	224

9 Tangible assets

There were no assets held under finance leases in 2003 or 2004.

	Short leasehold	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000
Cost			
At 1 April 2003	124	545	669
Additions	11	25	36
Disposals	-	(217)	(217)
At 31 March 2004	135	353	488
Depreciation			
At 1 April 2003	66	380	446
Charge for the year	5	96	101
Disposals	-	(217)	(217)
At 31 March 2004	71	259	330
Net book value			
At 31 March 2004	64	94	158
At 31 March 2003	58	165	223

10 Work in progress

	2004	2003
	£'000	£'000
Costs attributable to unpublished books and events to be held	1,672	1,251
	1,672	1,251

CORNHILL PUBLICATIONS LIMITED

NOTES TO THE ACCOUNTS – CONTINUED for the year ended 31 March 2004

11 Debtors

	2004	2003
	£'000	£'000
Trade debtors	1,969	3,024
Amounts owed by ultimate parent company	3,921	-
Amounts owed by group undertakings	4,099	8,264
Other debtors	589	-
Prepayments and accrued income	173	286
	10,751	11,574

12 Creditors – amounts falling due within one year

	2004	2003
	£'000	£'000
Bank overdrafts	-	48
Trade creditors	67	66
Amounts owed to ultimate parent company	-	5
Amounts owed to group undertakings	525	625
Other taxation and social security costs	34	121
Other creditors	304	438
Accruals and deferred income	1,018	535
	1,948	1,838

13 Provisions for liabilities and charges

Certain leasehold properties that are not required for current operations are subject to leases under which the rent payable is in excess of current market rates. Provision has been made for the net present value of future residual lease commitments taking into account expected future lettings. The provision is expected to be utilised over the terms of the relevant leases.

	2004	2003
	£'000	£'000
Balance at beginning of year	890	451
Charge for year – additional provision made	936	760
Utilised	(269)	(364)
Unwinding of discount	41	43
Balance at end of year	1,598	890

CORNHILL PUBLICATIONS LIMITED

NOTES TO THE ACCOUNTS – CONTINUED for the year ended 31 March 2004

14 Share capital

	2004	2003	2004	2003
	Number	Number	£'000	£'000
Authorised, allotted, called up and fully paid				
Ordinary shares of £1 each	5,000	5,000	5	5
	5,000	5,000	5	5

15 Reconciliation of movements in equity shareholders' funds

	2004	2003
	£'000	£'000
Loss attributable to shareholders	(1,224)	(828)
Net decrease in equity shareholders' funds	(1,224)	(828)
Opening equity shareholders' funds	10,320	11,148
Closing equity shareholders' funds	9,096	10,320

16 Contingent liabilities and financial commitments

The Company and certain other fellow group undertakings are parties to a composite banking facility under which the parties are jointly and severally liable. At 31 March 2004 the aggregate liability under this facility was £0.4 m (2003: £2.9m).

The Company has annual financial commitments in respect of non-cancellable operating leases which expire as follows:

	2004	2003
	£'000	£'000
Land and buildings		
Over five years	389	337
Other		
Within one year	-	39
Between two and five years	-	59
	389	435

CORNHILL PUBLICATIONS LIMITED

NOTES TO THE ACCOUNTS – CONTINUED for the year ended 31 March 2004

17 Cash flow statement

The Company is a wholly owned subsidiary of a parent undertaking whose consolidated statements, in which the Company is included, are publicly available. Accordingly, the Company does not present a cash flow statement. The address at which these consolidated financial statements are publicly available is shown in note 19.

18 Related party transactions

The Company is a wholly owned subsidiary of SPG Media Group plc (and is included in the consolidated financial statements of that group) and has taken advantage of the exemption contained in FRS 8, Related Party Disclosures, not to disclose any transactions, as required by the standard, with entities that are part of the group. The address at which these consolidated financial statements are publicly available is shown in note 19.

19 Ultimate parent company

The Company's immediate and ultimate parent company and controlling party is SPG Media Group plc, a company incorporated in Great Britain and registered in England and Wales with registration number 1309004. SPG Media Group plc is the parent undertaking of the smallest and largest groups for which group accounts are prepared and of which the Company is a member. Group accounts can be obtained from SPG Media Group plc at its registered office at 55-57 North Wharf Road, London, W2 1LA.