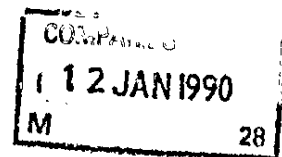


1633971



NORTHERN & SHELL PLC GROUP

REPORT AND ACCOUNTS

FOR THE YEAR ENDED JUNE 30 1989

NORTHERN & SHELL PLC GROUP

REPORT AND ACCOUNTS FOR THE YEAR ENDED JUNE 30 1989

CONTENTS

	<u>Page Number</u>
Directors and Officers	2
Directors Report	3 - 4
Auditors Report	5
Group Profit and Loss Account	6
Group Balance Sheet	7
Balance Sheet	8
Statement of Source and Application of Funds	9
Notes to the Accounts	10 - 16

NORTHERN & SHELL PLC GROUP

DIRECTORS

R.C. DESMOND
P.R. BAILEY

SECRETARY

M. ELLICE

AUDITORS

NEED TAYLOR
Devonshire House
146 Bishopsgate
London EC2M 4RB

BANKERS

NATIONAL WESTMINSTER BANK PLC
19 Shaftesbury Avenue
London W1A 4QQ

REGISTERED OFFICE

THE NORTHERN & SHELL BUILDING
Mill Harbour
London E14 9TW

NORTHERN & SHELL PLC GROUP

DIRECTORS REPORT

The directors submit their report and group accounts for the year ended June 30 1989

RESULTS AND DIVIDENDS

The trading profit for the year, after taxation, amounted to £ 575,487
The directors recommended and paid an interim dividend of £1.40 per share

REVIEW OF THE BUSINESS

The company's and the group's principal activities during the year were that of publishing and advertising
The year has seen a consolidation of the group's effort with major emphasis being placed on strengthening the management team
Our commitment to computer technology continues, the benefits of which have been apparent throughout the group
A personnel and training department has recently been established to further enhance employee relations and this is fully supported by directors and management
Since the year end the following have been appointed to the Board -
Barry Foxon FCCA as Finance Director, who is now in his third year with the group and Paul Ashford, who is responsible for all editorial matters and is in his eleventh year with the group
Careful market research and planning during the last twelve months resulted in Green Magazine being successfully launched in September 1989
Combining this new launch with existing titles and increasing agency client revenues we expect 1990 to be highly prosperous in terms of sales turnover, profitability and positive cash flow

FIXED ASSETS

The change in fixed assets during the year are set out in notes 8 and 9 to the accounts
In the opinion of the directors the land and buildings have a value of not less than £ 400,000

FUTURE DEVELOPMENTS

The group continues to promote expansion in its activities through both acquisition and organic growth

DIRECTORS AND THEIR INTERESTS

The directors who held office during the year and their interests in the share capital of the company were as follows:-

	JUNE 30 1989	JUNE 30 1988
R.C.Desmond	4	4
P.R.Bailey	-	-

CLOSE COMPANY

The company is a close company within the provisions of the Income and Corporation Taxes Act, 1970

CHARITABLE DONATIONS

During the year the group made various charitable contributions amounting to £ 33,180

NORTHERN & SHELL PLC GROUP

DIRECTORS REPORT (Continued)

AUDITORS

Reed Taylor, Chartered Accountants, have expressed their willingness to continue in office and offer themselves for re-election in accordance with Section 384 of the Companies Act 1985

BY ORDER OF THE BOARD

M ELLECE
SECRETARY


November 17 1989

REPORT OF THE AUDITORS TO THE MEMBERS OF

NORTHERN & SHELL PLC GROUP

We have audited the financial statements on pages 6 to 16 in accordance with approved auditing standards

In our opinion the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of affairs of the Company at June 30 1989 and of the profit and source and application of funds for the period then ended and comply with the Companies Act 1985



REED TAYLOR
Chartered Accountants

November 17 1989

NORTHERN & SHELL PLC GROUP

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30 1989

		1989	1988
	Notes	£	£
TURNOVER	2	8157479	8381323
Cost of Sales		4240077	4469968
		<hr/>	<hr/>
GROSS PROFIT		3917402	3911355
Distribution costs and administrative expenses		3130400	3166983
		<hr/>	<hr/>
		787002	744372
Other operating income		31107	52836
		<hr/>	<hr/>
OPERATING PROFIT	3	818109	797208
Interest receivable	5	138986	139291
Interest payable	6	-53891	-108326
		<hr/>	<hr/>
		85095	30965
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		903204	828173
Tax on profit on ordinary activities	7	327717	263000
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		575487	565173
EXTRAORDINARY ITEMS			
LOSS ON "CALL-IN" VENTURE		-	126102
		<hr/>	<hr/>
PROFIT ATTRIBUTABLE TO MEMBERS OF THE HOLDING COMPANY (of which £ 519,382 (1988 £ 389,760) is dealt with in the accounts of the holding company)		575487	439071
DIVIDENDS		140000	180000
		<hr/>	<hr/>
		435487	259071
Retained profit brought forward		1140576	881505
		<hr/>	<hr/>
Retained profit carried forward		1576063	1140576
		<hr/>	<hr/>

The notes on pages 10 to 16 form part of these accounts

NORTHERN & SHELL PLC GROUP

GROUP BALANCE SHEET

AS AT JUNE 30 1989

		1989	1988
	Notes	£	£
FIXED ASSETS			
Intangible assets	8		7108
Tangible assets	9	663974	697842
Cost of Control		9534	9534
		<u>673508</u>	<u>714484</u>
CURRENT ASSETS			
Stocks	10	219140	448624
Debtors	11	1549399	3461299
Cash at bank and in hand		1736861	597295
		<u>3505400</u>	<u>4447218</u>
CREDITORS:AMOUNTS FALLING DUE WITHIN ONE YEAR	12	<u>2236261</u>	<u>3605361</u>
NET CURRENT ASSETS		<u>1269139</u>	<u>841857</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1942647</u>	<u>1556341</u>
CREDITORS:AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
Obligations under lease contracts	13	266584	315765
		<u>1676063</u>	<u>1240576</u>

CAPITAL & RESERVES

Called up share capital	14	100000	100000
Reserves		1576063	1140576
		<u>1676063</u>	<u>1240576</u>

R.C. DESMOND

DIRECTORS

R.P. BAILEY

November 17 1989

The notes on pages 10 to 16 form part of these accounts

NORTHERN & SHELL PLC GROUP

COMPANY BALANCE SHEET

AS AT JUNE 30 1989

		1989	1988
	Notes	£	£
FIXED ASSETS			
Intangible assets	8	-	7108
Tangible assets	9	454068	483222
Investment in subsidiaries		29536	100000
		<u>483604</u>	<u>590330</u>
CURRENT ASSETS			
Stocks	10	219140	448624
Debtors	11	1468943	3487830
Cash at bank and in hand		1013830	550000
		<u>2701913</u>	<u>4486454</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	1729163	4080791
NET CURRENT ASSETS		<u>972750</u>	<u>405663</u>
		<u>1456354</u>	<u>995993</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
Obligations under lease contracts	13	266584	315765
		<u>1189770</u>	<u>680228</u>
CAPITAL & RESERVES			
Called up share capital	14	100000	100000
Profit and loss account		1089770	580228
		<u>1189770</u>	<u>680228</u>

R.C. DESMOND

R.P. BAILEY

DIRECTORS

November 17 1989

The notes on pages 10 to 16 form part of these accounts

NORTHERN & SHELL PLC GROUP

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED JUNE 30 1989

	1989	1988
	£	£
SOURCE OF FUNDS :		
Profit on ordinary activities before taxation	903204	828173
ADJUSTMENT FOR ITEMS NOT INVOLVING THE MOVEMENT OF FUNDS :		
Depreciation and amortisation	161328	147843
(Profit) on disposal of tangible fixed assets	<u>-31107</u>	<u>-45220</u>
	130221	102623
TOTAL GENERATED FROM OPERATIONS	1033425	930796
FUNDS FROM OTHER SOURCES :		
Proceeds of disposal of tangible fixed assets	35585	92676
	<u>1069010</u>	<u>1023472</u>
APPLICATION OF FUNDS :		
Extraordinary item - before tax	0	194102
Purchase of fixed assets	124830	290501
Taxation paid	348196	515699
Dividends paid	<u>140000</u>	<u>180000</u>
	613026	1180302
WORKING CAPITAL - INCREASE	<u>455984</u>	<u>-156830</u>
COMPONENTS OF INCREASE IN WORKING CAPITAL :		
Stock	-229484	328115
Debtors	-1851900	-584542
Creditors	1460131	-34415
	<u>-621253</u>	<u>-290842</u>
MOVEMENT IN NET LIQUID FUNDS :		
Bank overdraft	-62329	406783
Cash at Bank	<u>1139566</u>	<u>-272771</u>
	1077237	134012
	<u>455984</u>	<u>-156830</u>

The notes on pages 10 to 16 form part of these accounts

NORTHERN & SHELL PLC GROUP

NOTES TO THE ACCOUNTS

AT JUNE 30 1989

1. ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The accounts are prepared under the historical cost convention. The principal accounting policies of the group are unchanged from the previous year, and are set out below

BASIS OF CONSOLIDATION

The group accounts consolidate the results of Northern & Shell plc and its subsidiary (see note 15) for the year ended June 30 1989

DEPRECIATION

Depreciation is provided on all tangible fixed and leased assets, other than land and buildings, at rates calculated to write off cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows :

Plant and equipment	-	over 4 to 5 years
Fixtures and fittings	-	over 3 to 4 years
Motor vehicles	-	over 3 to 10 years
Goodwill	-	over 10 years

OBLIGATIONS UNDER FINANCE LEASES

Assets obtained under finance leases are capitalised in the balance sheet and depreciated over the period of the lease

Financing costs are charged to profit and loss account and represent a constant proportion of the capital outstanding

DEFERRED TAXATION

Deferred taxation is only provided where, in the opinion of the directors, the liability is expected to crystallise

2. TURNOVER

Turnover represents the invoiced amount of goods sold and services provided (stated net of Value Added Tax)

NORTHERN & SHELL PLC GROUP

NOTES TO THE ACCOUNTS (Continued)

AT JUNE 30 1989

3.	<u>OPERATING PROFIT</u>	1989	1988
a)	This is stated after charging :	£	£
	Directors emoluments	197515	209068
	Auditors remuneration	16198	17577
	Depreciation and amortisation of goodwill	161328	147843
	Net rental income	-22018	-15545
		<u>197515</u>	<u>209068</u>
b)	Directors remuneration :	£	£
	Executive Remuneration	132458	129381
	Other emoluments (including pension contributions)	65057	79687
		<u>197515</u>	<u>209068</u>

The emoluments of the chairman, excluding pension contributions, were £ 61,758 (1988 - £60,091), and of the highest paid director, excluding pension contributions, £ 70,700 (1988 £69290)

4.	<u>STAFF COSTS</u>	£	£
	Wages and salaries	1419332	1322508
	Social security costs	151517	104531
		<u>1570849</u>	<u>1427039</u>

The number of senior employees who receive remuneration falling within the range below was:-

	Number	Number
£ 30,001 - 35,000	0	1
£ 35,001 - 40,000	2	0
£ 40,001 - 45,000	1	0
£ 45,001 - 50,000	0	1
£ 50,001 - 55,000	1	0

The average weekly number of employees during the year was made up as follows:-

	1989 Number	1988 Number
Office and management	<u>99</u>	<u>95</u>

NORTHERN & SHELL PLC GROUP

NOTES TO THE ACCOUNTS (Continued)

AT JUNE 30 1989

	1989	1988
5. <u>INTEREST RECEIVABLE</u>	£	£
Bank deposit	138986	139291
	<u> </u>	<u> </u>
6. <u>INTEREST PAYABLE</u>	£	£
Bank loans and overdrafts	3484	64280
Other loans wholly repayable within five years	50407	44046
	<u>53891</u>	<u>108326</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	£	£
Based on the profit for the period :		
Corporation tax @ 35 % (1988 - 35 %)	335000	320200
Taxation -over/under-provided in previous periods		
Corporation Tax	-7283	-2200
Provision for deferred tax		-55000
	<u>327717</u>	<u>263000</u>

The potential liability for deferred taxation amounts to approximately £ 50,000

8. INTANGIBLE FIXED ASSETS

<u>PURCHASE GOODWILL</u>	GROUP and COMPANY
	£
COST :	
At June 30 1988	58300
Additions during the year	-
Disposal	-1000
	<u> </u>
At June 30 1989	57300
	<u> </u>
AMORTISATION :	
At June 30 1988	51192
Provided during the year	7108
Disposal	-1000
	<u> </u>
At June 30 1989	57300
	<u> </u>
NET BOOK VALUE AT JUNE 30 1989	0
	<u> </u>
NET BOOK VALUE AT JUNE 30 1988	7108
	<u> </u>

NORTHERN & SHELL PLC GROUP

NOTES TO THE ACCOUNTS (Continued)

AS AT JUNE 30 1989

9. TANGIBLE FIXED ASSETS

GROUP	LAND AND BUILDINGS	MOTOR VEHICLES	EQUIPMENT FURNITURE & FITTINGS	TOTAL
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
COST :				
At June 30 1988	292043	106266	813484	1211793
Additions	-	17390	107440	124830
Disposals	-	-24677		-24677
	<u>292043</u>	<u>98979</u>	<u>920924</u>	<u>1311946</u>
At June 30 1989	292043	98979	920924	1311946
DEPRECIATION :				
At June 30 1988	-	34551	479400	513951
Provided during the year	-	8709	145510	154219
Disposals	-	-20198		-20198
	<u>-</u>	<u>23062</u>	<u>624910</u>	<u>647972</u>
At June 30 1989	-	23062	624910	647972
NET BOOK VALUE : June 30 1989	<u>292043</u>	<u>75917</u>	<u>296014</u>	<u>663974</u>
NET BOOK VALUE : June 30 1988	<u>292043</u>	<u>71715</u>	<u>334084</u>	<u>697842</u>
COMPANY	LAND AND BUILDINGS	MOTOR VEHICLES	EQUIPMENT FURNITURE & FITTINGS	TOTAL
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
COST :				
At June 30 1988	147040	18077	683086	848203
Additions	-	17390	107250	124640
Disposals	-	-9677	-	-9677
	<u>147040</u>	<u>25790</u>	<u>790336</u>	<u>963166</u>
At June 30 1989	147040	25790	790336	963166
DEPRECIATION :				
At June 30 1988	-	9220	355761	364981
Provided during the year	-	5289	144026	149315
Disposals	-	-5198	-	-5198
	<u>-</u>	<u>9311</u>	<u>499787</u>	<u>509098</u>
At June 30 1989	0	9311	499787	509098
NET BOOK VALUE: June 30 1989	<u>147040</u>	<u>16479</u>	<u>290549</u>	<u>454068</u>
NET BOOK VALUE: June 30 1988	<u>147040</u>	<u>8857</u>	<u>327325</u>	<u>483222</u>

NORTHERN & SHELL PLC GROUP

NOTES TO THE ACCOUNTS (Continued)

AS AT JUNE 30 1989

10.	<u>STOCKS - Group and Company</u>		1989	1988
			£	£
	Raw materials and consumables		<u>219140</u>	<u>448624</u>

11.	<u>DEBTORS</u>	GROUP		COMPANY	
		1989	1988	1989	1988
		£	£	£	£
	Trade debtors	1375926	3006038	1096698	2908180
	Other debtors	76716	312999	76716	207867
	Prepayments and accrued income	96757	82262	87012	59372
	Amounts owed by subsidiaries			208517	312411
		<u>1549399</u>	<u>3401299</u>	<u>1468943</u>	<u>3487830</u>

12.	<u>CREDITORS: amounts falling due</u>	GROUP		COMPANY	
	<u>within one year</u>				
		1989	1988	1989	1988
		£	£	£	£
	Bank overdraft	305897	243568	305897	17403
	Trade creditors	416168	588744	248898	438588
	Obligations under finance lease	131288	102118	131288	102118
	Current corporation tax	459920	480399	424920	351311
	Other taxes and social security taxes	128074	104845	77888	36703
	Other creditors	385814	1773861	384949	1694472
	Accruals	409100	311826	155323	256275
	Amounts owed to subsidiaries			-	1183921
		<u>2236261</u>	<u>3605361</u>	<u>1729163</u>	<u>4080791</u>

NORTHERN & SHELL PLC GROUP

NOTES TO THE ACCOUNTS (Continued)

AT JUNE 30 1989

13. OBLIGATIONS UNDER LEASES - Group and Company

	1989 FINANCE LEASES	1988 FINANCE LEASES
	£	£
Year ending:		
June 30 1990	170816	146848
June 30 1991	170816	146848
June 30 1992	60854	146848
June 30 1993	57780	36886
June 30 1994	12535	33812
	<u>472801</u>	<u>511242</u>
Less: Finance charges allocated to future periods	74929	93359
	<u>397872</u>	<u>417883</u>
Lease contracts shown as:		
Current obligations	131288	102118
Non-current obligations	266584	315765
	<u>397872</u>	<u>417883</u>

14. SHARE CAPITAL

1989 and 1988

	AUTHORISED	ALLOTTED AND FULLY PAID
	£	£
Ordinary shares of £1 each	<u>500000</u>	<u>100000</u>

NORTHERN & SHELL PLC GROUP

NOTES TO THE ACCOUNTS (Continued)

AT JUNE 30 1989

15. SUBSIDIARIES

The company's subsidiary which principally effect the profits or assets of the Group was :

	<u>% Owned by Group</u>	<u>Main Activity</u>
De Monde Advertising Limited	100	Advertising Agency