

Housebuilder Publications Limited

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED
31 December 2003



Registered Number: 1952317

Housebuilder Publications Limited

DIRECTORS' REPORT

For the year ended 31 December 2003

The directors present their annual report and accounts for the year ended 31 December 2003.

PRINCIPAL ACTIVITY

The company published "Housebuilder" under licence until 31 December 1995 from the Federated Employers Press Limited and since 1 January 1997 under licence from House Builders Federation Limited. "Housebuilder" is the official journal of the House Builders Federation and New Homes Marketing Board in association with the National House Building Council.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- a) select suitable accounting policies and then apply these consistently
- b) make judgements and estimates that are reasonable and prudent
- c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts
- d) 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 maintaining 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 accounts 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.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows:

R J Ashmead	
S A Baseley	
R Done	(appointed 14 October 2003)
W C Gair	
A J Hillier	(resigned 12 June 2003)
G Newcombe	(resigned 10 November 2003)
G C Pye	(resigned 14 October 2003)
G T Wilson	(resigned 10 November 2003)

None of the directors had a beneficial interest in the share capital of the company.

AUDITORS

The directors have by elective resolution dispensed with the obligation to hold an annual general meeting and accordingly Baker Tilly are deemed to be re-appointed for the ensuing year.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

On behalf of the Board

5 Chancery Lane
Clifford's Inn
London EC4A 1BU

21 June, 2004



W C Gair
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOUSEBUILDER PUBLICATIONS LIMITED

We have audited the financial statements on pages 3 to 8.

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 Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 United Kingdom 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 to you 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

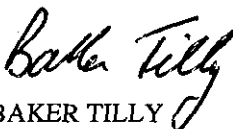
BASIS OF OPINION

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 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 of the state of the company's affairs at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


BAKER TILLY
Registered Auditors
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

21 June 2004

Housebuilder Publications Limited

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2003

	<i>Notes</i>	2003 £	2002 £
TURNOVER		1,003,757	1,030,639
Cost of sales		(597,348)	(507,200)
GROSS PROFIT		406,409	523,439
Distribution costs		(102,591)	(101,848)
Administrative expenses		(548,241)	(509,219)
Other operating income		322,052	171,576
OPERATING PROFIT	2	77,629	83,948
Interest receivable	3	5,974	8,724
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		83,603	92,672
Tax on profit on ordinary activities	4	(19,142)	(19,543)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		64,461	73,129
Dividends	10	(30,891)	(17,474)
RETAINED PROFIT FOR THE FINANCIAL YEAR	9	33,570	55,655

All of the above results derive from continuing activities.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Except for the results as shown above, the company had no other recognised gains or losses during either year.

The accompanying notes form an integral part of these accounts.

Housebuilder Publications Limited

BALANCE SHEET

As at 31 December 2003

	Notes	2003 £	2002 £
FIXED ASSETS			
Tangible fixed assets	5	2,962	7,203
CURRENT ASSETS			
Stocks		3,637	7,881
Debtors	6	173,865	136,514
Cash at bank and in hand		305,448	372,365
		<u>482,950</u>	<u>516,760</u>
CREDITORS: amounts falling due within one year	7	(136,073)	(207,694)
NET CURRENT ASSETS		<u>346,877</u>	<u>309,066</u>
NET ASSETS		<u>349,839</u>	<u>316,269</u>
CAPITAL AND RESERVES			
Called up share capital	8	4	4
Profit and loss account	9	349,835	316,265
EQUITY SHAREHOLDERS' FUNDS	10	<u>349,839</u>	<u>316,269</u>

These financial statements are presented in accordance with the special provisions of the Companies Act 1985 relating to small companies.

The accounts on pages 3 to 8 were approved by the Board on 21st Dec, 2004.

W C Gair
Director

The accompanying notes form an integral part of these accounts.

Housebuilder Publications Limited

NOTES TO THE ACCOUNTS

For the year ended 31 December 2003

1 ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Fixed assets and depreciation

Fixed assets are stated at cost. Depreciation is calculated on the following bases:

Furniture, fixtures and fittings	16.67% per annum on cost
Office equipment	33.33% per annum on cost

Stocks

Stocks of printing paper are valued at the lower of cost and net realisable value.

Taxation

Corporation tax payable is provided on taxable profits at the current rate. Deferred taxation is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax assets are recognised where recovery is more likely than not.

Turnover

Turnover represents income from advertising and sales of magazines and other publications.

Operating leases

Operating lease rentals are written off to the profit and loss account as incurred.

Pension costs

The costs of the company's defined benefit pension arrangements are charged to the profit and loss account on a systematic basis allowing for the expected pension costs to be spread over the remaining service lives of the scheme members. Contributions to the company's defined contribution scheme are charged to the profit and loss account as incurred.

2	OPERATING PROFIT	2003 £	2002 £
	Operating profit is stated after charging:		
	Depreciation	4,241	3,766
	Auditors' remuneration	3,300	3,300
		<u> </u>	<u> </u>
3	INTEREST RECEIVABLE		
	Bank interest receivable	5,974	8,724
		<u> </u>	<u> </u>
4	TAXATION		
	UK corporation tax at 19% (2002: 19%)	19,888	20,000
	Adjustment in respect of prior year	(746)	(457)
		<u> </u>	<u> </u>
		19,142	19,543
		<u> </u>	<u> </u>

Housebuilder Publications Limited

NOTES TO THE ACCOUNTS

For the year ended 31 December 2003

5	TANGIBLE FIXED ASSETS	Furniture, fixtures and fittings £	Office equipment £	Total £
	Cost			
	1 January 2003 and 31 December 2003	2,041	73,845	75,886
	Depreciation			
	1 January 2003	2,041	66,642	68,683
	Charge for the year	-	4,241	4,241
	31 December 2003	2,041	70,883	72,924
	Net book value			
	31 December 2003	-	2,962	2,962
	31 December 2002	-	7,203	7,203
6	DEBTORS		2003 £	2002 £
	Trade debtors		160,643	126,276
	Prepayments and accrued income		8,351	9,504
	Amounts due from ultimate parent undertaking		4,871	734
			173,865	136,514
7	CREDITORS: amounts falling due within one year			
	Trade creditors		53,381	68,287
	Other creditors		5,620	4,176
	Other taxes and social security		23,706	27,464
	Accruals and deferred income		17,015	37,767
	Corporation tax		19,888	20,000
	Amounts owed to connected companies		16,463	50,000
			136,073	207,694
8	CALLED UP SHARE CAPITAL			
	Authorised			
	100 ordinary shares of £1 each		100	100
	Allotted and called up			
	4 ordinary shares of £1 each		4	4

Housebuilder Publications Limited

NOTES TO THE ACCOUNTS

For the year ended 31 December 2003

9	RESERVES	Profit and loss account £
	1 January 2003	316,265
	Profit for the financial year	33,570
	31 December 2003	<u>349,835</u>

10	RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS	2003 £	2002 £
	Profit for the financial year	64,461	73,129
	Dividend	(30,891)	(17,474)
		<u>33,570</u>	<u>55,655</u>
	Opening shareholders' funds	316,269	260,614
	Closing shareholders' funds	<u>349,839</u>	<u>316,269</u>

A dividend of £7,722.75 per ordinary share (2002: £4,368.50 per ordinary share) was paid during the year.

11 PARTICULARS OF EMPLOYEES AND PENSION COSTS

The average number of persons employed by the company in administrative duties was 7 (2002: 7). Their total remuneration was:

	2003 £	2002 £
Wages and salaries	240,312	244,421
Social security costs	27,493	24,825
Other pension costs	18,979	12,257
	<u>286,784</u>	<u>281,503</u>

The directors received no remuneration during the year.

Retirement benefits to employees are provided by the Construction Confederation Staff Pension Scheme, a defined benefit scheme. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company in such a way that the pension cost is a substantially level percentage of present and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of triennial valuations, using a prospective benefit method. Contributions during the year amounted to £18,867 (2002: £12,257).

As the scheme is a multi-employer pension scheme, the company is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the company has accounted for its contributions to the scheme as if it were a defined contribution scheme. Information available on the deficit in the scheme and the implications for the company in terms of the anticipated contribution rates is set out below.

Housebuilder Publications Limited

NOTES TO THE ACCOUNTS

For the year ended 31 December 2003

11 PARTICULARS OF EMPLOYEES AND PENSION COSTS (continued)

The pensions cost is assessed every 3 years in accordance with the advice of the actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest available actuarial valuation	31 December 2001
Actuarial method	Projected unit
Investment returns	7% per annum
Salary scale increases	4.5% per annum
Value of assets at date of last valuation	£14.5 million
Proportion of members' accrued benefits covered by the actuarial value of the assets	89%

Contributions throughout 2003 were 15.45% (employer) and 8.05% (employee) respectively. The scheme was closed to new entrants from 1 July 2002.

12 RELATED PARTY TRANSACTIONS

The ultimate ownership of the company rested with the House Builders Federation Limited throughout the year. The accounts of the company are not consolidated into a group with any other company.

During the year the company paid a management fee of £30,000 (2002: £30,000) to House Builders Federation Limited for performing various administrative functions. Also during the year £26,400 (2002: £24,000) was payable by House Builders Federation Limited to the company in respect of publication work.

During the year £40,000 (2002: £39,000) was received from New Homes Marketing Board in respect of a programme contribution and publication work. House Builders Federation Limited has directors in common with the trustees of New Homes Marketing Board.

13 FINANCIAL COMMITMENTS

Operating leases

At 31 December 2003 the company had annual commitments under operating leases as follows:

	2003 £	2002 £
Expiring:		
Within one year	-	3,448
Between two and five years	17,604	10,801
	<u>17,604</u>	<u>14,249</u>