

Housebuilder Publications Limited

Accounts 31 December 1996
together with directors' and auditors' reports

Registered number: 1952317



Directors' report

For the year ended 31 December 1996

Directors

PB Short

GC Pye

JA Hillier

WC Gair

Financial Statements

The directors present their report and financial statements for the year ended 31 December 1996

Directors' Responsibilities

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 and of the profit or loss of the company for that period. 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;
- 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 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal Activity

The company published "The House Builder" under licence until 31 December 1995 from the Federated Employers Press Limited and since 1 January 1996 under licence from House Builders Federation Limited. "The House Builder" is the official journal of the House Builders Federation, the New Homes Marketing Board and the National House Building Council.

Review of the Business

The results for the year are set out in the profit and loss account on page 4.

The directors do not recommend payment of a dividend for the year ended 31 December 1996.

Tangible fixed assets

Movements in tangible fixed assets are set out in note 5 to the financial statements.

Directors' report (continued)

Directors

The present members of the Board, who served throughout the year, are shown at the head of this report.

No director held any beneficial interest in the share capital of the company.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Binder Hamlyn be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 19 May 1997.



G Pye
Director



82 New Cavendish Street,
London
W1M 8AD

BINDER HAMLYN

Andersen Worldwide

20 Old Bailey
London EC4M 7BH

Auditors' report

To the shareholders of Housebuilder Publications Limited

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention on the basis of the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

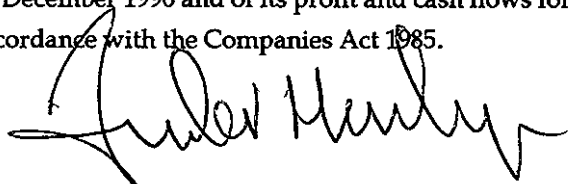
Basis of opinion

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 company's state of affairs at 31 December 1996 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors

19 May 1997.

Profit and loss account

For the year ended 31 December 1996

	Notes	1996 £	1995 £
Turnover		555,384	714,284
Cost of sales		<u>(258,094)</u>	<u>(303,740)</u>
Gross Profit		297,290	410,544
Distribution costs		(61,819)	(70,340)
Administrative expenses		(347,255)	(364,658)
Other operating income		128,164	113,340
Interest receivable		7,066	9,241
Interest payable	3	<u>(4,000)</u>	<u>(20,000)</u>
Profit on ordinary activities before taxation	2	19,446	78,217
Tax on profit on ordinary activities	4	<u>(8,629)</u>	<u>(25,086)</u>
Profit for the financial year		10,817	53,131
Profit and loss account brought forward		<u>66,466</u>	<u>13,335</u>
Profit and loss account carried forward		<u>77,283</u>	<u>66,466</u>

All of the above results derive from continuing activities and there were no acquisitions in the period.

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

Balance sheet

31 December 1996

	Notes	1996 £	1995 £
Fixed assets			
Tangible assets	5	<u>10,957</u>	<u>3,558</u>
Current assets			
Stocks		9,424	18,470
Debtors	6	107,794	97,983
Cash at bank and in hand		<u>128,820</u>	<u>252,451</u>
		246,038	368,904
Creditors: amounts falling due within one year	7	<u>(151,708)</u>	<u>(263,992)</u>
Net current assets		<u>94,330</u>	<u>104,912</u>
Total assets less current liabilities		105,287	108,470
Creditors: amounts falling due after more than one year	8	<u>(28,000)</u>	<u>(42,000)</u>
Net assets		<u>77,287</u>	<u>66,470</u>
Capital and reserves			
Called up share capital	9	4	4
Profit and loss account		<u>77,283</u>	<u>66,466</u>
Shareholders' funds	10	<u>77,287</u>	<u>66,470</u>

The financial statements on pages 4 to 10 were approved by the Board on 19 May 1997


G Pye
Director



Notes to the financial statements

31 December 1996

1 Accounting policies

a) Basis of accounting

The financial statements have been prepared under the historical cost convention.

b) Fixed assets and depreciation

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

Furniture, fixtures and fittings	10% per annum on cost
Computer equipment	25% per annum on cost

c) Stocks

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

d) Deferred taxation

Deferred taxation is provided on the liability method but only in so far as liabilities are expected to become payable in the foreseeable future.

e) Turnover

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

f) Leased assets and hire purchase contracts

Assets held under finance leases and hire purchase contracts are capitalised and depreciated in accordance with the depreciation accounting policy or, in the case of leases, over the shorter of the lease period or the estimated useful life of the asset concerned. Future capital repayments are included as a liability. The total finance charge under finance leases is allocated to accounting periods during the lease term on a straight line basis.

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

g) Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

Notes to the financial statements (continued)

2 Profit/(loss) on ordinary activities before taxation is stated after charging:

	1996 £	1995 £
Hire of plant and machinery	-	10,998
Depreciation	3,179	1,079
Auditors' remuneration	3,600	3,250
	<u> </u>	<u> </u>

3 Interest payable

	1996 £	1995 £
On loans wholly repayable in more than five years	4,000	20,000
	<u> </u>	<u> </u>

4 Taxation

	1996 £	1995 £
Tax on profit for the year at 33% (1995: 32%)	8,629	25,086
Prior year adjustment	-	-
	<u> </u>	<u> </u>
	8,629	25,086

Notes to the financial statements (continued)

5 Tangible fixed assets

	Furniture, fixtures and fittings £	Computer equipment £	Total £
Cost			
1 January 1996	2,041	14,793	16,834
Additions	-	10,578	10,578
Disposals			
31 December 1996	2,041	25,371	27,412
Depreciation			
1 January 1996	1,403	11,873	13,276
Charge for the year	243	2,936	3,179
Disposals	-	-	-
31 December 1996	1,646	14,809	16,455
Net book value 31 December 1996	395	10,562	10,957
31 December 1995	638	2,920	3,558

The company had authorised but not contracted commitments not provided for at 31 December 1996 of £Nil (1995: £15,000).

6 Debtors

	1996 £	1995 £
Trade debtors	104,070	85,221
Other debtors	3,575	3,802
Called up share capital not paid	4	4
Prepayments and accrued income	145	8,956
	107,794	97,983

Notes to the financial statements (continued)

7 Creditors: amounts falling due within one year

	1996 £	1995 £
Trade creditors	58,483	33,839
Amounts owed to connected companies	4,040	39,336
Other taxes and social security	16,209	17,154
Accruals and deferred income	36,458	50,577
Corporation tax	8,518	25,086
Loan	28,000	98,000
	<u>151,708</u>	<u>263,992</u>

8 Creditors: amounts falling due after more than one year

	1996 £	1995 £
Loan:		
Due between 1 and 2 years	14,000	11,000
Due between 2 and 5 years	14,000	31,000
	<u>28,000</u>	<u>42,000</u>

9 Called up share capital

	1996 £	1995 £
Authorised		
100 ordinary shares of £1 each	100	100
Allotted		
4 ordinary shares of £1 each	4	4

10 Reconciliation of movement in shareholders' funds

	1996 £	1995 £
Profit for the year	10,817	53,131
Opening shareholders' funds	66,470	13,339
Closing shareholders' funds	<u>77,287</u>	<u>66,470</u>

Notes to the financial statements (continued)

11 Particulars of employees

The average number of persons employed by the company in administrative duties was 8 (1995: 8).

	1996 £	1995 £
Wages and salaries	168,777	198,135
Social security costs	14,749	15,839
Other pension costs	3,875	1,750
	<u>187,401</u>	<u>215,724</u>

None of the directors received any remuneration.

12 Financial commitments

Operating leases

At 31 December 1996 the company had annual commitments under operating leases as follows:

	1996 £	1995 £
Expiry date:		
Within one year	-	3,204
Between two to five years	<u>4,757</u>	<u>4,757</u>
	<u>4,757</u>	<u>7,961</u>

13 Parent organisation

The ultimate ownership of the company rested with the Building Employers Confederation throughout the year. The financial statements of the company are not consolidated into a group with any other company.

14 Post balance sheet event

After the year end the company was acquired by HouseBuilders Federation Limited.

Detailed profit and loss account

for the year ended 31 December 1996

	1996 £	1995 £
Income		
Display advertising	421,240	529,948
Classified advertising	96,300	67,233
Subscriptions	14,836	13,125
Contract publishing	23,008	103,978
	<hr/>	<hr/>
Turnover	555,384	714,284
Sundry income	8,164	13,430
NHBC contribution	120,000	100,000
	<hr/>	<hr/>
Total income	683,548	827,714
	<hr/>	<hr/>
Production costs		
Printing	74,351	71,856
Paper	46,704	46,891
DTP and design	40,615	45,183
Postage	61,819	70,340
Editorial contribution	38,160	39,028
Miscellaneous/Sundries	-	6,395
Managing editor costs	29,545	26,027
Sales consultancy	14,224	
Editorial expenses	-	8,262
Reader enquiries	10,075	9,967
Subscription management	4,420	3,733
Contract publishing	-	46,397
Editorial special reports	-	-
	<hr/>	<hr/>
Total expenditure	319,913	374,079
	<hr/>	<hr/>

Detailed profit and loss account (continued)

for the year ended 31 December 1996

	1996 £	1995 £
Overheads		
Salaries	138,982	161,802
Commission	22,701	36,333
Pensions charge/(credit)	3,875	1,750
NI ER's	14,749	15,839
Medisure	7,094	-
Staff recruitment	420	3,124
Staff training	675	34
Temporary staff	-	-
Travel and subsistence	2,305	3,964
Entertaining	2,113	1,247
Motor running costs	3,552	3,695
Vehicle leasing	14,433	10,998
Couriers	1,467	1,401
Postage	7,721	8,562
Telephone	1,739	2,805
Rent	35,963	25,281
Marketing	19,390	33,670
Printing and stationery	7,397	6,402
Audit and accountancy	3,600	4,450
Legal and professional	9,449	7,396
Depreciation	3,180	1,079
Profit on disposal	-	-
Computers	10,406	1,421
Mailing list amendments	908	1,054
Readership survey	576	-
Bank charges	1,731	1,479
General expenses	7,808	11,176
Bad debt provision	1,154	6,173
Loss on surrender of lease	-	-
Vehicle insurance	1,963	1,584
Mobile phones	1,904	1,939
Management charge	20,000	10,000
Total overheads	347,255	364,658

Detailed profit and loss account (continued)

for the year ended 31 December 1996

	1996 £	1995 £
Interest		
BEC interest payable on loan	(4,000)	(20,000)
Interest receivable	<u>7,066</u>	<u>9,241</u>
Net interest (payable)/receivable	<u>3,066</u>	<u>(10,759)</u>
Surplus of income over expenditure before tax	<u>19,466</u>	<u>78,217</u>

This statement does not form part of the audited financial statements and is for the information of the directors only.