

PERGAMON PRESS PLC(formerly Pergamon Journals Limited)REPORT OF THE DIRECTORS FOR THE 15 MONTHS ENDED 31ST MARCH 1989

The directors present herewith the audited accounts for the 15 months ended 31st March 1989, following a change in the accounting reference date of the Company from 31st December to 31st March.

Change of Name

The Company changed its name on 19th May 1988 from Pergamon Journals Limited to Pergamon Press plc. Subsequently on the 28th April 1989 the Company changed its name to Maxwell Pergamon Macmillan plc. On the 31st July 1989 the Company then changed its name from Maxwell Pergamon Macmillan plc back to Pergamon Press plc ("Pergamon").

Review of Activities

The profit and loss account for the period is set out on page 6.

During 1988 Pergamon Press celebrated the 40th anniversary of its founding. Pergamon Press is one of the world's leading publishers of research, review and abstract journals as well as academic, professional and reference books in the STM field.

Pergamon Press currently publishes approximately 400 journals which are circulated on a subscription basis worldwide. These journals cover such fields as the life sciences, physical sciences and engineering, mathematics, education, social and behavioural sciences, and business and economics, and they are well respected in the international scientific community. In order to spearhead moves to improve and make more relevant existing journals, and acquire new journals in developing subject areas, a number of new senior editorial executives has been appointed. This, coupled with the adoption of other media including compact disc (CD-ROM) technology, will both further improve the information services offered by Pergamon and position the Company in the vanguard of information delivery systems in the next decade.

In addition, Pergamon Press has an active backlist of some 4,000 book titles with approximately 200 new titles being added each year. Sales are worldwide, and integration with Maxwell Macmillan in the USA will improve the effectiveness of North American distribution.

Pergamon's multi-volume Major Reference Works include in their range of subjects Chemistry, Materials Science, Systems and Control, Education, and are making an increasingly significant contribution to sales. While these Major Reference Works are targeted at institutional libraries, a growing programme of derived single subject volumes serves the needs of individuals worldwide.

In all aspects of Pergamon's international activities, innovation in management and technology is playing an important role in leading Pergamon towards a dominant position in the information world of the 21st century.



Dividend

The directors recommend a dividend in respect of the period ended 31st March 1989 of £19,666,000 (1987 - £21,159,000).

Changes in fixed assets

The movements in fixed assets during the period are set out in notes 11 to 13 to the accounts.

Directors

The directors of the Company during the period, together with their dates of appointment or resignation where applicable, were:

Robert Maxwell MC	
Professor A R Katrizky	
K F H Maxwell	
I R C Maxwell	
R N Miranda	
G F Richards	
M A Sar	
B Cox	
J G Gilgunn-Jones	
I F Liddiard	
Dr E J J Maxwell	
M J Church	(Deceased 24th December 1988)
Dr I F Klimes	(Resigned 10th August 1988)
B R Barrett	(Appointed 8th September 1988)
P S H Bolman	(Appointed 1st October 1988)
C J Drayton	(Appointed 8th September 1988)
A P Johnson	(Appointed 3rd February 1989)
B M Martell	(Appointed 8th September 1988)
A F Snyder	(Appointed 8th September 1988)
A J Steel	(Appointed 8th September 1988)

Directors' interests

No directors or their families had any interest in the shares of the Company. The interests of directors and their families (other than those directors whose interests are disclosed in the accounts of the Company's holding company) in the shares of Maxwell Communication Corporation plc and its subsidiaries or were as follows:-

<u>Maxwell Communication Corporation plc</u>	<u>31 March</u> <u>1989</u>	<u>31 December</u> <u>1987</u>
Ordinary shares of 25p each		
Dr Elisabeth Maxwell	137,448,428	1,562,737

In addition, the following directors have acquired options to purchase shares under the Maxwell Communication Corporation Executive Share Option Scheme ("Executive Scheme") and the Employee Savings-Related Share Option Scheme ("MCC" Scheme). Under the MCC Scheme options to purchase shares were at either £2.45, or £1.96 (being 90% of the market values of the shares on the last business days before the dates of the invitation to apply for the options, as adjusted for the rights issue in 1987).

<u>Executive Scheme</u>	<u>Subscription Price</u>	<u>Number of Options</u>	<u>Date Exercisable</u>
Mr Gilbert Richards	228p	50,000	May 1991/May 1998
<u>MCC Scheme</u>	<u>31 March 1989</u>		<u>31 December 1987</u>

Ordinary shares of 25p each

Options at £2.45

Mr Brian Cox	1,510	1,510
Mr Ian Liddiard	604	604

Options at £1.96

Ms Barbara Barrett	1,836	-
Dr Colin Drayton	1,836	-
Mr Ian Liddiard	918	-
Mr Alan Steel	3,673	-

None of the directors had a material interest in any contract of significance to which the Company, or a subsidiary, was a party during the period.

Charitable contributions

Contributions made during the period for charitable purposes were £128,000. No political contributions were made.

Disabled persons

The Company's policy is to recruit and continue to employ disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person.

Employee involvement


The Company's employees are kept informed of the progress of both the Company and the Group through the medium of regular progress briefings by their departmental heads and by the issue of regular information on Group activities. In addition they are encouraged to help in the Company's performance by being invited on occasions to participate in a "Save as You Earn" scheme to purchase shares in Maxwell Communication Corporation plc, the Company's parent.

Close Company

The Company is not a close Company within the terms of the Income and Corporation Taxes Act 1988.

Auditors

A resolution to reappoint the auditors, Chopers & Lybrand, will be proposed at the Annual General Meeting.



BY ORDER OF THE BOARD

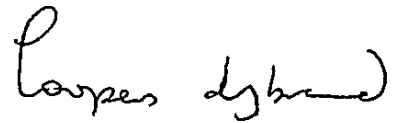
Secretary

OXFORD
2nd August 1989

REPORT OF THE AUDITORS TO THE MEMBERS OF PERGAMON PRESS PLC

We have audited the accounts set out on pages 6 to 21 in accordance with approved Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the Company at 31st March 1989 and of its profit and source and application of funds for the period then ended and comply with the Companies Act 1985.



Chartered Accountants

LONDON
2nd August 1989

PERGAMON PRESS PLC

(formerly Pergamon Journals Limited)

PROFIT AND LOSS ACCOUNT FOR THE
15 MONTH PERIOD ENDED 31st MARCH 1989

	<u>Notes</u>	Period ended 31 March 1989 £000	Year ended 31 December 1987 £000
Turnover	2	65,426	51,152
Cost of sales		(26,193)	(16,355)
Gross profit		39,233	34,797
Net operating expenses	3	(20,939)	(12,004)
Operating profit	4	18,294	22,793
Net interest and investment income	7	(75)	422
Profit before taxation		18,219	23,215
Tax on profit on ordinary activities	8	(241)	(3,000)
Profit on ordinary activities after taxation		17,978	20,215
Extraordinary items	9	2,229	-
Profit for the financial period		<u>20,207</u>	<u>20,215</u>

Statement of Retained Profits

Retained profits at 1st January 1988		-	944
Profit for the financial period		20,207	20,215
Transfer to other reserve	22	(541)	-
Dividend proposed	10	(19,666)	(21,159)
Retained profits at 31st March 1989		<u>-</u>	<u>-</u>

The notes on pages 9 to 21 form part of these accounts
Auditors' report - page 5

(formerly Pergamon Journals Limited)

		31 March 1989	31 December 1987
	Notes	£000	£000
Fixed assets			
Intangible assets	11	268,148	267,709
Tangible assets	12	3,896	1,494
Subsidiary companies	13	560	560
		<u>272,604</u>	<u>269,763</u>
Current assets			
Stocks	14	5,633	3,308
Debtors	15	35,580	23,287
Cash at bank and in hand		<u>4,450</u>	<u>11,965</u>
		45,663	38,560
Creditors - amounts falling due within one year	16	(45,850)	(39,500)
Net current assets		<u>(187)</u>	<u>(940)</u>
Total assets less current liabilities		272,417	268,823
Creditors - amounts falling due after more than one year	17	(1,055)	-
Subscriptions received in advance	18	(37,708)	(35,620)
Provisions for liabilities and charges			
Deferred taxation	19	(241)	-
		<u>(39,004)</u>	<u>(35,620)</u>
		<u>233,413</u>	<u>233,203</u>
Capital and reserves			
Called up share capital	20	1,000	1,000
Revaluation reserve	21	231,872	232,203
Other reserve	22	541	-
Profit and loss account		<u>-</u>	<u>-</u>
		<u>233,413</u>	<u>233,203</u>

The accounts were approved
by the Board on 2nd August 1989

Directors

The notes on pages 9 to 21 form part of these accounts
Auditors' report - page 5

PERGAMON PRESS PLC
 (formerly Pergamon Journals Limited)
STATEMENT OF SOURCE AND APPLICATION
OF FUNDS FOR THE 15 MONTH PERIOD ENDED 31st MARCH 1989

	Period ended 31 March 1989 £000	£000	Year ended 31 December 1987 £000	£000
<u>Source of funds</u>				
Profit on ordinary activities before taxation		18,219		23,215
Adjustments for items not involving the movement of funds:				
Depreciation of tangible fixed assets	551		68	
Income from investment in subsidiary not represented by Dividend received (Profit)/Loss on sale of tangible fixed assets	(1,220)		(197)	
	<u>(21)</u>		<u>3</u>	
		(690)		(126)
		<u>17,529</u>		<u>23,089</u>
<u>Total from operations</u>				
Funds from other sources				
Sales proceeds of tangible fixed assets		64		-
Maxwell Communication Corporation plc loan account		20,114		-
Extraordinary items		<u>2,925</u>		<u>-</u>
<u>Total source of funds</u>		40,632		23,089
<u>Application of funds</u>				
Dividends paid	(21,159)		(15,057)	
Tax paid	(3,000)		(400)	
Purchase of intangible fixed assets	(439)		(49)	
Purchase of tangible fixed assets	(3,692)		(602)	
Purchase of Goodwill (see note 21)	(331)		-	
Maxwell Communication Corporation plc loan account	-		(16,118)	
<u>Total applications of funds</u>		<u>(28,621)</u>		<u>(32,226)</u>
		<u>12,011</u>		<u>(9,137)</u>
<u>Increase in working capital</u>				
Increase in stocks	2,325		2,591	
Increase in debtors	30,132		2,253	
Decrease/(increase) in current creditors, excluding taxation, overdrafts and dividends	5,731		(7,643)	
(Increase)/decrease in subscriptions received in advance	(2,088)		2,674	
Movement in net liquid funds:		36,100		(125)
Bank and cash balances		<u>(24,089)</u>		<u>(9,012)</u>
<u>Increase/(decrease) in working capital</u>		<u>12,011</u>		<u>(9,137)</u>

PERGAMON PRESS PLC

NOTES TO THE ACCOUNTS - 31ST MARCH 1989

1. Principal accounting policies

A summary of the more important accounting policies is set out below:

(a) Turnover

Turnover, which excludes value added tax, represents the invoiced value of goods and services supplied.

(b) Investment income

Income from investments is included together with the related tax credit in the profit and loss account of the accounting period in which it is declared.

(c) Taxation

The charge for taxation is based on the profit for the period after adjusting for disallowable items, and after excluding timing differences to the extent that they are unlikely to result in an actual tax liability in the foreseeable future. Timing differences arise from the recognition for tax purposes of certain items of income and expense in a different accounting period from that in which they are recognised in the accounts. The tax effect of timing differences which are likely to result in an actual tax liability in the foreseeable future, as reduced by the tax benefit of any accumulated losses, is treated as a deferred tax liability.

(d) Foreign Currencies

Assets and liabilities expressed in foreign currencies are translated to sterling at rates of exchange ruling at the end of the financial period. Trading activities are translated to sterling at the rate of exchange ruling at the time of the transaction. Any resultant gain or loss on exchange is shown as part of the period's profit or loss from ordinary activities.

(e) Intangible Fixed Assets

(i) Publishing Rights, Titles and Benefits

Publishing rights, titles and benefits are stated at fair value on acquisition and are carried forward in the balance sheet. No amortisation charge is made unless there is a permanent diminution in value as, in the opinion of the directors, these assets do not have a finite economic life. Subject to annual review, any permanent diminution in value is charged to the profit and loss account.

(ii) Development Expenditure

Development expenditure relating to specific projects intended for commercial use is carried forward and amortised over the period expected to benefit therefrom.

PERGAMON PRESS PLC

NOTES TO THE ACCOUNTS - 31ST MARCH 1989 (CONT'D)

(f) Tangible Fixed Assets

(i) Cost or valuation

Interests in land and buildings and plant and machinery are stated at existing use, or in certain cases, Directors' valuation, and are subject to regular revaluations. Additions since the last valuation are stated at purchase cost, together with any incidental expenses of acquisition. The cost of other fixed assets is their purchase cost together with any incidental expenses of acquisition.

Development expenditure relating to major software projects intended for commercial use is capitalised.

(ii) Depreciation

Depreciation is provided on a straight line basis using the following annual rates in order to write off the cost of fixed assets over the expected useful lives of the assets concerned.

	<u>%</u>
Freehold Buildings	2
Plant & Machinery	20
Motor Vehicles	25
Fixtures, Fittings & Equipment	
- Office Machinery & Equipment	20
- Computer Equipment & Software	25

(g) Investments in subsidiaries

It is the Group practice to include each subsidiary company at no more than its net asset value. Provision is made for deficiencies of shareholders' funds in subsidiaries. Group accounts have not been prepared as the Company is a wholly owned subsidiary of Maxwell Communication Corporation plc, a Company incorporated in Great Britain.

(h) Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value having regard to expected levels of future sales. Cost consists of direct materials and labour costs and an appropriate portion of overheads. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation or, where appropriate, the cost of conversion from their existing state to a finished condition.

Provision is made for losses expected to arise on completion of the contracts in progress at the balance sheet date to the extent that individual issues have been printed. Stocks are assessed on a title by title basis. Copies considered saleable in the normal course of business are valued at purchase cost; any potential excess copies are reduced to estimated remainder values.

PERGAMON PRESS PLC

NOTES TO THE ACCOUNTS - 31ST MARCH 1989 (CONT'D)

(i) Pension scheme arrangements

The pension liabilities of the Group are externally funded. Payments made to the funds and charged annually in these accounts comprise current service contributions which are estimates based on actuarial advice. The funds are actuarially valued every three years.

2. Turnover

	Period ended 31 March 1989 <u>£000</u>	Year ended 31 December 1987 <u>£000</u>
The geographical analysis of turnover is as follows:		
United Kingdom	7,262	3,219
Continental Europe	17,992	15,001
USA Canada & South America	24,012	18,363
Africa, Asia & Australasia	16,160	14,569
	<u>65,426</u>	<u>51,152</u>

3. Net Operating Expenses

	Period ended 31 March 1989 <u>£000</u>	Year ended 31 December 1987 <u>£000</u>
Net operating expenses are made up as follows:-		
Distribution costs	2,951	2,154
Administrative expenses	10,094	6,108
Maxwell Communication Corporation finance and service charge	7,580	3,750
Other Group management charges	335	-
	<u>20,960</u>	<u>12,012</u>
Less: Other operating income	(21)	(8)
	<u>20,939</u>	<u>12,044</u>

PERGAMON PRESS PLC

NOTES TO THE ACCOUNTS - 31ST MARCH 1989 (CONT'D)

4. Operating profit:

	Period ended 31 March 1989 £000	Year ended 31 December 1987 £000
Operating profit is stated after charging/(crediting):		
Auditors' remuneration	65	30
Depreciation of tangible fixed assets	551	68
(Profit) on disposal of tangible owned fixed assets	(21)	-
Directors' emoluments (see note 5) including pension contributions	532	181
	<hr/>	<hr/>

5. Directors' emoluments

	Period ended 31 March 1989 £000	Year ended 31 December 1987 £000
Emoluments of directors (including pension contributions):		
For management services	<hr/> 488	<hr/> 181
Compensation for loss of office paid by the Company to a former director	<hr/> 44	<hr/> -

Directors' emoluments, disclosed in accordance with Part V of Schedule 5 of the Companies Act 1985, and excluding pension contributions, are as follows:-

	Period ended 31 March £000 1989	Year end 31 December £000 1987
Emoluments of the Chairman	NIL	NIL
Emoluments of the highest paid director	<hr/> 83	<hr/> 60
Number of directors (excluding those above) whose emoluments were within the ranges:	Number	Number
£ 0 to £ 5,000	5	5
£ 5,001 to £10,000	-	2
£10,001 to £15,000	-	2
£20,001 to £25,000	4	-
£25,001 to £30,000	2	-
£30,001 to £35,000	2	-
£35,001 to £40,000	-	1
£40,001 to £45,000	2	1
£45,001 to £50,000	1	-
£50,001 to £55,000	1	-
£55,001 to £60,000	1	-

PERGAMON PRESS PLC

NOTES TO THE ACCOUNTS - 31ST MARCH 1989 (CONT'D)

5. Directors' emoluments (cont'd)

Certain of the directors are remunerated by other Group companies for their services to the Group as a whole and no emoluments have been included in these accounts as a charge against the Company's profits in respect of these directors.

Certain of the directors have acquired options under the Maxwell Communication Corporation Savings-Related Share Option Scheme, details of which are set out in the "Directors' Report". No emoluments have been attributed to these options.

6. Employee information

	Period ended 31 March 1989 Number	Year ended 31 December 1987 Number
(a) The average number of persons employed by the Company, including directors, during the year is analysed below:-		
Production	211	105
Selling and distribution	211	62
Administration	103	82
	<u>525</u>	<u>249</u>
(b) Employment costs - all employees including directors	Period ended 31 March 1989 £000	Year ended 31 December 1987 £000
Wages and salaries	7,903	2,351
Employer's national insurance contributions	638	199
Employer's pension contributions	-	2
Total direct costs of employment	<u>8,541</u>	<u>2,552</u>
(c) The number of employees of the Company (excluding directors) whose emoluments were within the range:-	Period ended 31 March 1989	Year ended 31 December 1987
£30,001 to £35,000	1	-
£35,001 to £40,000	1	-
(d) Pension Schemes		

The Group operates a number of pension schemes for its employees. In the UK the majority of employees are members of one of the following defined benefit pension schemes: Maxwell Communication Works Pension Scheme; Maxwell Communication Pension Plan. These Schemes are constituted under separate independent trusts and the assets comprise various forms of Stock Exchange securities and other appropriate investments. The contributions paid to the Schemes and charged in the accounts are in accordance with the recommendations of the actuaries.

PERGAMON PRESS PLC

NOTES TO THE ACCOUNTS - 31ST MARCH 1989 (CONT'D)

6. Employee information (cont'd)

The main Schemes were revalued at 5th April 1988 by independent actuaries and all Schemes were reported to be in substantial surplus after allowing for benefits which had accrued to members at those dates on both a discontinuance and a going concern basis. As a result of the valuations the Trustees agreed to continue the pension holiday for Company contributions for the years up to 31st December 1991, subject to the results of any further actuarial investigations during the intervening period. As a result of these contribution holidays, the charge for pension contributions in the accounts has been reduced by £200,000 (1987 £223,345).

7. Net interest and investment income

	Period ended 31 March 1989 £000	Year ended 31 December 1987 £000
<u>Investment income</u>		
Income from fixed asset investments		
Unlisted investments	1,220	197
<u>Interest payable and similar charges</u>		
Bank interest payable	(1,821)	(227)
Other interest payable on sums:-		
Wholly repayable within five years		
- external	(1)	-
Bank interest receivable	527	452
	<u>(75)</u>	<u>422</u>

8. Tax on profit on ordinary activities

(a) The charge based on the results for the period is as follows:-

	Period ended 31 March 1989 £000	Year ended 31 December 1987 £000
Deferred tax at 35%	241	-
Group relief	-	3,000
	<u>241</u>	<u>3,000</u>

(b) There is no liability to corporation tax on the results for the period since the whole of the taxable profit will be eliminated by taxation losses surrendered by fellow subsidiaries, without charge, by way of group relief.

PERGAMON PRESS PLC

NOTES TO THE ACCOUNTS - 31ST MARCH 1989 (CONT'D)

8. Tax on profit on ordinary activities (cont'd)

The charge relates to the establishment of deferred tax provisions in the period, reflecting principally significant reductions in the Maxwell Communication Group's planned capital expenditure programme following the recent strategic disposals of its UK printing interests.

9. Extraordinary items

	Period ended 31 March 1989 £000	Year ended 31 December 1987 £000
Extraordinary income - Sale of Hennock Rd property	<u>2,229</u>	<u>-</u>

Taxable profits have been eliminated by taxation losses surrendered without charge by fellow subsidiaries.

10. Dividend Proposed

	31 March 1989 £000	31 December 1987 £000
Ordinary shares - 196.6599 pence per share (1987 211.5895)	<u>19,666</u>	<u>21,159</u>

No ACT is payable due to the existence of a group election for dividend payment.

11. Intangible Fixed Assets

	31 March 1989 £000	31 December 1987 £000
Balance at 1 January 1988	267,709	267,660
Acquisition of journals during the year	<u>439</u>	<u>49</u>
Balance at 31 March 1989	<u>268,148</u>	<u>267,709</u>

PERGAMON PRESS PLC
NOTES TO THE ACCOUNTS - 31ST MARCH 1989 (CONT'D)

12. Tangible Fixed Assets

<u>Cost</u>	<u>Freehold land & buildings £000</u>	<u>Plant & machinery £000</u>	<u>Motor Vehicles £000</u>	<u>Fixtures fittings & equipment £000</u>	<u>Total £000</u>
At 1st January 1988	875	41	323	534	1,773
Additions	-	124	-	2,526	2,650
Transfers from group companies	-	41	347	691	1,079
Disposals	-	-	(15)	-	(15)
Transfers to group companies	(875)	-	(111)	-	(986)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 1989	-	206	544	3,751	4,501
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>Depreciation</u>					
At 1st January 1988	157	7	83	32	279
Transfers from group companies	-	24	7	6	37
Charge for period	22	30	161	338	551
Disposals	-	-	(1)	-	(1)
Transfers to group companies	(179)	-	(82)	-	(261)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 1989	-	61	168	376	605
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value at 31st March 1989	-	145	376	3,375	3,896
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value at 31st December 1987	718	34	240	502	1,494
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

13. Subsidiary company

The investment in subsidiary company is made up as follows:-

	<u>31 March 1989 £000</u>	<u>31 December 1987 £000</u>
Shares		
At cost	585	585
Provisions	(25)	(25)
	<hr/>	<hr/>
	560	560
	<hr/>	<hr/>

The Company owns the whole of the called up ordinary share capital of MBO 4(AWC) Limited, formerly A Wreaton & Co Limited which is incorporated in Great Britain.

PERGAMON PRESS PLC

NOTES TO THE ACCOUNTS - 31ST MARCH 1989 (CONT'D)

14. Stocks

The amounts attributable to the different categories are as follows:-

	31 March 1989 £000	31 December 1987 £000
<u>Communications and Publishing</u>		
Work in progress	2,122	1,189
Books and Language courses	3,480	2,119
	<hr/>	<hr/>
	5,602	3,308
Other	31	-
	<hr/>	<hr/>
	<u>5,633</u>	<u>3,308</u>

15. Debtors

	31 March 1989 £000	31 December 1987 £000
<u>Amounts falling due within one year</u>		
Trade debtors	4,759	2,154
Other debtors	3,280	1,564
Prepayments and accrued income	116	66
Amounts owed by Maxwell Communication Corporation plc Group companies	26,008	247
Amounts owed by subsidiary	1,417	197
	<hr/>	<hr/>
	35,580	4,228
<u>Amounts falling due after one year</u>		
Amounts owed by Maxwell Communication Corporation plc Group companies	-	19,059
	<hr/>	<hr/>
	<u>35,580</u>	<u>23,287</u>

PERGAMON PRESS PLC

NOTES TO THE ACCOUNTS - 31ST MARCH 1989 (CONT'D)

16. Creditors - amounts falling due within one year

	31 March 1989 £000	31 December 1987 £000
Bank loans and overdrafts	16,664	90
Trade creditors	1,327	2,585
Amounts owed to Maxwell Communication Corporation plc	2,697	8,759
Amounts owed to Pergamon Holdings Limited and its subsidiaries	50	2,981
Other creditors including taxation and social security (see below)	1,302	3,926
Accruals and deferred income	4,144	-
Dividend payable	19,666	21,159
	<u>45,850</u>	<u>39,500</u>

Other creditors including taxation and social security is made up as follows:-

	31 March 1989 £000	31 December 1987 £000
United Kingdom corporation tax	-	3,000
PAYE	110	-
Social Security	87	-
Other creditors	1,105	926
	<u>1,302</u>	<u>3,926</u>

PERGAMON PRESS PLC

NOTES TO THE ACCOUNTS - 31ST MARCH 1989 (CONT'D)

17. Creditors - amounts falling due after more than one year

	31 March 1989 £000	31 December 1987 £000
Amounts owed to Maxwell Communication Corporation plc Group companies	1,055	-
	<u>1,055</u>	<u>-</u>

18. Subscriptions received in advance

	31 March 1989 £000	31 December 1987 £000
Journal and other subscriptions received in advance of publication being dispatched:-		
Within one year	35,726	33,464
After more than one year	1,982	2,156
	<u>37,708</u>	<u>35,620</u>

19. Deferred Taxation

The amounts provided and the full potential liability for deferred taxation are as follows:-

	31 March 1989	Full potential liability	31 December 1987	Full potential liability
	Amounts provided £000	£000	Amounts provided £000	£000
Fixed asset timing differences including leased plant	266	266	-	61
Other timing differences	(25)	(25)	-	-
	<u>241</u>	<u>241</u>	<u>-</u>	<u>61</u>

PERGAMON PRESS PLC

NOTES TO THE ACCOUNTS - 31ST MARCH 1989 (CONT'D)

19. Deferred Taxation (cont'd)

The movements on the provision
during the period are as follows

£000

Balance at 1st January 1988
Transfer from Profit &
Loss Account

-

241

Balance at 31st March 1989

241

20. Called up share capital

31 March
1989
£000

31 December
1987
£000

Authorised, issued and
fully paid 10,000,020
ordinary shares of 10p each

1,000

1,000

21. Revaluation Reserve

£000

Balance at 1st January 1988
Movement in the period

232,203
(331)

Balance at 31st March 1989

231,872

The movement in the period represents the write-off of the deficiency arising on the subsequent fair valuation of the assets and liabilities acquired at book value from Pergamon Books Limited on 31st December 1987.

22. Other reserves

The amount shown as other reserves represents that part of the Company's reserves regarded as pre-acquisition by Maxwell Communication Corporation plc.

PERGAMON PRESS PLC

NOTES TO THE ACCOUNTS - 31ST MARCH 1989 (CONT'D)

23. Financial commitments

Operating leases	Land & Buildings		Plant	
	31 March 1989 £000	31 Dec 1987 £000	31 March 1989 £000	31 Dec 1987 £000
Commitments payable within one year for leases expiring:				
Within one year	15	-	7	-
Between two & five years	44	-	7	-
	<hr/>	<hr/>	<hr/>	<hr/>
	59	-	14	-
	<hr/>	<hr/>	<hr/>	<hr/>

24. Ultimate Holding Company

The directors of the Company consider Maxwell Communication Corporation plc, a Company incorporated in the United Kingdom, to be its ultimate holding company.