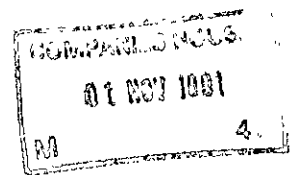


Pergamon Press Plc
Annual report
for the year ended 31 March 1991

Registered no: 1982084



Pergamon Press Plc

Annual report for the year ended 31 March 1991

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Directors' report for the year ended 31 March 1991

The directors present their report and the audited financial statements for the year ended 31 March 1991.

Principal activities

The Company is a leading publisher of English Language journals for academic and industrial research workers and professionals in scientific, technical and medical ("STM") fields. These journals cover three main disciplines; Life and medical sciences; physical and engineering sciences; and social and behavioural sciences, including economics. A number of journals are published on behalf of learned societies. The Company also publishes a number of books and reference works, covering such subjects as medicine, chemistry, material science and information technology.

Review of business

The Company has maintained its position as one of the world's leading publishers of research, review and abstract journals, as well as of books and reference works, of academic and industrial research works and professionals in science, technology and medicine.

The Journals are the main stay of the Company's activities and their reputation is sustained by scrupulous attention to their scientific quality including the adaptation of existing journal titles to reflect developments and changes in the relevant scientific area.

Post balance sheet events

On 16 May 1991 the sale of the entire issued share capital of the Company to Elsevier UK Holdings Ltd was completed.

Dividends and transfers to reserves

No dividend is proposed in respect of the year ended 31 March 1991 (1990: £9,211,000).

Changes in fixed assets

The movements in intangible and tangible fixed assets during the year are set out in notes 11 and 12 to the accounts.

Directors

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

Robert Maxwell, MC (resigned 16 May 1991)
Professor AR Katrizky (resigned 16 May 1991)
KFH Maxwell (resigned 16 May 1991)
IRC Maxwell (resigned 16 May 1991)
RN Miranda (resigned 16 May 1991)
GF Richards (resigned 16 May 1991)
MA Sar (resigned 20 May 1991)
B Cox (resigned 20 May 1991)
JG Gilgunn-Jones
IF Liddiard (resigned 20 May 1991)
Dr EJ Maxwell (resigned 16 May 1991)
BR Barrett (resigned 20 May 1991)
Dr PSH Bolman (resigned 16 May 1991)
CJ Drayton
AP Johnson (resigned 16 May 1991)
BM Martell (resigned 2 August 1990)
AF Snyder (resigned 20 May 1991)
AJ Steel
BJ Moss (resigned 16 May 1991)
LR Straka (resigned 16 May 1991)
RG Dunn (appointed 20 August 1990; resigned 16 May 1991)
MG Boswood (appointed 16 May 1991)
TL Davies (appointed 16 May 1991)
JJF Kels (appointed 16 May 1991)

Directors' interests

No directors or their families had any interests 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 at 31 March 1991) in the shares of Maxwell Communication Corporation plc and its subsidiaries were as follows:

Maxwell Communication Corporation plc

Number of ordinary shares 25p each

	31 March 1991	31 March 1990
Dr Elisabeth Maxwell	197,055,821	155,912,928
LR Straka	100,000	100,000
RN Miranda	500	500

Options granted to directors

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, £1.96 or £2.67 (being 90% of the market values of the shares on the last business days before the dated of the invitation to apply for the options, as adjusted for the 1987 rights issue).

Executive Scheme	Subscription Price	Number of options	Date Exercisable
Mr Gilbert Richards	228p	50,000	May 1991/ May 1998
MCC Scheme	31 March 1991		31 March 1990
Options at £2.45			
Mr Brian Cox		1,510	1,510
Mr Ian Liddiard		604	604
Mr Brian Moss		755	755
Options at £1.96			
Ms Barbara Barrett		1,836	1,836
Mr Colin Drayton		1,836	1,836
Mr Ian Liddiard		918	918
Mr Alan Steel		3,673	3,673
Options at £2.67			
Mr Brian Moss		692	692

The options acquired by those directors remaining with Pergamon Press plc following completion of the sale to Elsevier UK Holdings Ltd will lapse after 16 November 1991 unless exercised prior to this date.

Charitable and political contributions

The contributions made by the Company during the year for political and charitable purposes were:

	£'000
For political purposes	-
For charitable purposes	31
	<hr/>
	31
	<hr/>

Employees

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.

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.

Close company

At the commencement of the year, the Company was not a close company within the terms of the Income and Corporation Taxes Act 1988. During the year, the Company became a close company. This has no effect on the Company's distributions for the year.

Insurance of officers and auditors

Officers of the Company, including directors, are insured by Maxwell Communication Corporation plc, the Company's ultimate parent at 31 March 1991, against any liabilities they may incur for negligence, default, breach of duty or breach of trust.

Auditors

A resolution to reappoint the auditors, Coopers & Lybrand Deloitte, will be proposed at the annual general meeting.

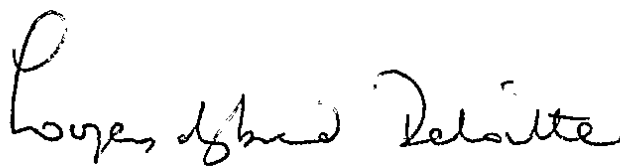
By order of the board



Report of the auditors to the members of Pergamon Press plc

We have audited the financial statements on pages 6 to 21 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 March 1991 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand Deloitte
London, 27 September 1991

Profit and loss account for the year ended 31 March 1991

	Notes	1991 £'000	1990 £'000
Turnover	2	68,574	61,109
Cost of sales		(24,834)	(23,855)
Gross profit		43,740	37,254
Other operating expenses	3	(22,645)	(22,802)
Operating profit		21,095	14,452
Investment income	6	68	960
Interest payable and similar charges	7	(1,562)	(1,260)
Profit on ordinary activities before taxation	8	19,601	14,152
Taxation	9	(6,601)	(4,941)
Profit for the financial year		13,000	9,211
Statement of retained profits			
Retained profits at 1 April 1990		-	-
Profit for the financial year		13,000	9,211
Dividends paid	10	-	(9,211)
Retained profits at 31 March 1991		13,000	-

Balance sheet at 31 March 1991

	Notes	1991 £'000	1990 £'000
Fixed assets			
Intangible assets	11	269,690	269,130
Tangible assets	12	4,381	3,766
Investments	13	-	690
		<u>274,071</u>	<u>273,586</u>
Current assets			
Stocks	14	4,726	5,250
Debtors	15	29,056	18,594
Cash at bank and in hand		1,686	8,561
		<u>35,468</u>	<u>32,405</u>
Creditors: amounts falling due within one year	16	<u>(20,318)</u>	<u>(30,806)</u>
Net current assets		<u>15,150</u>	<u>1,599</u>
Total assets less current liabilities		<u>289,221</u>	<u>275,185</u>
Creditors: amounts falling due after more than one year	17	<u>(42,808)</u>	<u>(41,645)</u>
Provisions for liabilities and charges			
Deferred taxation	18	-	(127)
		<u>(42,808)</u>	<u>(41,772)</u>
Net assets		<u>246,413</u>	<u>233,413</u>
Capital and reserves			
Called-up share capital	20	1,000	1,000
Revaluation reserve	21	231,872	231,872
Other reserve	22	541	541
Profit and loss account		13,000	-
		<u>246,413</u>	<u>233,413</u>

The financial statements on pages 6 to 21 were approved by the board of directors on 27 September 1991 and were signed on its behalf by:

Director



Statement of source and application of funds for the year ended 31 March 1991

	1991 £'000	1990 £'000
Source of funds		
Profit on ordinary activities before taxation	19,601	14,152
Adjustment for items not involving the movement of funds:		
Depreciation and amounts written off fixed assets	1,427	1,384
Profit on disposal of fixed assets	(8)	(12)
Income from investment not represented by dividend received	-	(21)
Loss on disposal of fixed asset investment	130	-
Total funds generated from operations	21,150	15,503
Funds from other sources		
Proceeds of disposal of tangible fixed assets	158	72
Sale of fixed asset investment	560	39
Dividends received	-	16
Total source of funds	21,868	15,630
Application of funds		
Net expenditure on intangible fixed assets	(560)	(982)
Purchase of tangible fixed assets	(2,192)	(1,314)
Maxwell Communication Corporation plc group accounts	(24,969)	(5,329)
Taxation paid	(8,319)	(3,464)
Dividends paid	(8,145)	(20,732)
Total application of funds	(44,185)	(31,821)
Net application of funds	(22,317)	(16,191)
The net application of funds is represented by the following decrease in working capital:		
Stocks	(524)	(383)
Debtors	(2,688)	(21,096)
Creditors	60	(11,550)
Subscriptions received in advance	(1,163)	(3,937)
	(4,315)	(36,966)
Movements in net liquid funds:		
Cash at bank and in hand	(18,062)	20,775
Decrease in working capital	(22,317)	(16,191)

Notes to the financial statements for the year ended 31 March 1991

1 Principal accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention except as modified by the revaluation of publishing rights, titles and benefits and in accordance with applicable Accounting Standards in the United Kingdom.

Intangible fixed assets

Publishing rights, titles and benefits

In the case of acquired assets, publishing rights, titles and benefits are stated at fair value on acquisition and are carried forward in the balance sheet. Assets developed internally are stated at their development cost, net of any revenues in the development period. 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. The values are subject to annual review; any permanent diminution in value is charged to the profit and loss account.

Tangible fixed assets

Cost

Interests in plant and machinery are stated at purchase cost. The cost of other fixed assets is their purchase cost together with any incidental expenses of acquisition.

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.

	%
Plant and machinery	20
Fixtures, Fittings and equipment	
- office machinery and equipment	20
- computer equipment and software	25
Motor vehicles	25

Fixed asset investments

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, at the year end, a company registered in England and Wales.

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 material 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.

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.

Foreign currencies

Subscriptions received in advance in foreign currencies are translated at the mid-month rate of exchange in the month of receipt, or, where covered by a matching foreign exchange contract, at the rate of exchange specified in that contract.

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

Turnover

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

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.

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, is treated as a deferred tax liability.

Pension costs

Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the period during which the Company benefits from the employees' services. The effects of variations from regular costs are spread over the expected remaining working lifetime of members of the scheme after making suitable allowance for future withdrawals.

2 Turnover

	Turnover	
	1991 £'000	1990 £'000
Geographical area		
United Kingdom	5,945	8,172
Continental Europe	19,846	17,273
USA, Canada & South America	25,067	20,791
Rest of World	17,716	14,873
	<u>68,574</u>	<u>61,109</u>

3 Other operating expenses

	1991 £'000	1990 £'000
Distribution costs	3,201	2,978
Administrative expenses	11,608	13,226
Maxwell Communication Corporation plc finance and service charge	7,185	7,184
Exchange loss/(gain)	1,433	(531)
	<u>23,427</u>	<u>22,857</u>
Less: other operating income	(253)	(55)
Finance and service charges to other group companies	(529)	-
	<u>22,645</u>	<u>22,802</u>

4 Directors' emoluments

The remuneration paid to the directors of Pergamon Press Plc was:

	1991 £'000	1990 £'000
Fees	-	-
Other emoluments (including pension contributions and benefits in kind)	623	541
	<u>623</u>	<u>541</u>

Emoluments in respect of duties wholly or mainly discharged in the United Kingdom:

	1991 £'000	1990 £'000
The chairman	-	-
The highest-paid director	150	117

The number of directors (including the chairman and the highest-paid director) who received fees and other emoluments (excluding pension contributions) in the following ranges was:

	1991 Number	1990 Number
£0 to £5,000	6	8
£20,001 to £25,000	1	-
£25,001 to £30,000	-	1
£30,001 to £35,000	1	-
£35,001 to £40,000	1	6
£40,001 to £45,000	2	1
£45,001 to £50,000	2	1
£50,001 to £55,000	2	-
£80,001 to £85,000	-	1
£95,001 to £100,000	1	-
£145,001 to £150,000	1	-

Certain of the directors were 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 Option Scheme, details of which are set out in the report of the Directors. No emoluments have been attributed to these options.

The officers and directors of the Company are insured for any liability against negligence, default, breach of duty and breach of trust by Maxwell Communication Corporation plc on a group basis. No emoluments have been attributed to any insurance premiums paid.

At 31 March 1991 Dr PSH Bolman and Dr PT Shepherd were in receipt of interest free mortgage loans of £160,000 and £50,000 respectively from Maxwell Communication Corporation plc, the company's ultimate parent at that date.

On 16 May 1991 the loan to Dr PT Shepherd was transferred to Elsevier UK Holdings Ltd, the Company's parent from this date.

5 Employee information

The average weekly number of persons (including executive directors) employed during the year was:

	1991 Number	1990 Number
By area		
Production	136	126
Selling and distribution	148	159
Administration	294	299
	<u>578</u>	<u>584</u>
	<u><u>578</u></u>	<u><u>584</u></u>
	1991	1990
	£'000	£'000
Staff costs (for the above persons):		
Wages and salaries	8,045	7,811
Social security costs	688	619
	<u>8,733</u>	<u>8,430</u>
	<u><u>8,733</u></u>	<u><u>8,430</u></u>

6 Investment income

	1991 £'000	1990 £'000
Income from unlisted fixed asset investments	-	21
Other interest receivable and similar income	68	939
	<u>68</u>	<u>960</u>
	<u><u>68</u></u>	<u><u>960</u></u>

7 Interest payable and similar charges

	1991 £'000	1990 £'000
On bank loans, overdrafts and other loans:		
Repayable within 5 years, not by instalments	(1,526)	(1,260)
	<u>(1,526)</u>	<u>(1,260)</u>
	<u><u>(1,526)</u></u>	<u><u>(1,260)</u></u>

8 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is:

	1991 £'000	1990 £'000
Stated after charging:		
Depreciation charge for the year:		
Tangible owned fixed assets	1,427	1,384
Auditors' remuneration	58	66
Profit on disposal of fixed assets	(8)	(13)
	<u> </u>	<u> </u>

9 Taxation

	1991 £	1990 £
United Kingdom corporation tax:		
Charge for Group relief	6,728	-
Current at 35%	-	5,050
Deferred	(127)	(114)
Tax on franked investment income	-	5
	<u> </u>	<u> </u>
	<u>6,601</u>	<u>4,941</u>

10 Dividends

	1991 £'000	1990 £'000
Ordinary:		
Interim paid	-	1,066
Final proposed	-	8,145
	<u> </u>	<u> </u>
	<u>-</u>	<u>9,211</u>

11 Intangible fixed assets

	Publishing rights, titles & benefits £'000
Cost	
At 1 April 1990	269,130
Net expenditure	560
At 31 March 1991	<u>269,690</u>

12 Tangible fixed assets

	Motor vehicles £'000	Plant and machinery £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 April 1990	829	240	4,608	5,677
Additions	215	28	1,520	1,763
Disposals	(67)	-	-	(67)
Transfers in from group companies	28	-	406	434
Transfers out to group companies	(193)	(41)	(33)	(267)
At 31 March 1991	<u>812</u>	<u>227</u>	<u>6,501</u>	<u>7,540</u>
Depreciation				
At 1 April 1990	293	106	1,512	1,911
Charge for year	195	43	1,189	1,427
Eliminated in respect of disposals	(41)	-	-	(41)
Transfers in from group companies	5	-	-	5
Transfers out to group companies	(82)	(41)	(20)	(143)
At 31 March 1991	<u>370</u>	<u>108</u>	<u>2,681</u>	<u>3,159</u>
Net book value				
At 31 March 1991	<u>442</u>	<u>119</u>	<u>3,820</u>	<u>4,381</u>
Net book value				
At 31 March 1990	<u>536</u>	<u>134</u>	<u>3,096</u>	<u>3,766</u>

13 Fixed asset investments

	Interests in group undertakings	Participating interests	Total
	£'000	£'000	£'000
Cost			
At 1 April 1990	585	169	754
Transfers out to group companies	(585)	(169)	(754)
At 31 March 1991	<u>-</u>	<u>-</u>	<u>-</u>
Amounts written off			
At 1 April 1990	25	39	64
Transfers out to group companies	(25)	(39)	(64)
At 31 March 1991	<u>-</u>	<u>-</u>	<u>-</u>
Net book value			
At 31 March 1991	<u>-</u>	<u>-</u>	<u>-</u>
Net book value			
At 31 March 1990	<u>560</u>	<u>130</u>	<u>690</u>

Interests in group undertakings

All interests in group undertakings and participating interest were transferred within the Group prior to 31 March 1991. At 31 March 1990 the interests were as follows:

Name of undertaking	Country of incorporation or registration	Description of shares held	Proportion of nominal value of issued shares held
MBO4(AWC) Limited (formerly A Wheaton & Co Limited)	Great Britain	Ordinary shares	100%

Participating interests:

The participating interest was a joint venture with International Academic Publishers, China.

14 Stocks

	1991 £'000	1990 £'000
Work in progress	2,108	1,512
Finished goods and goods for resale	2,618	3,738
	<u>4,726</u>	<u>5,250</u>

15 Debtors

	1991 £'000	1990 £'000
Amounts falling due within one year		
Trade debtors	3,834	6,435
Amounts owed by Maxwell Communication Corporation plc group companies	23,370	4,513
VAT recoverable	1,346	1,477
Other debtors	440	462
Payments and accrued income	66	-
	<u>29,056</u>	<u>12,887</u>
Amounts falling due after one year		
Amounts owed by Maxwell Communication Corporation plc group companies	-	4,274
Amounts owed by subsidiary	-	1,433
	-	<u>5,707</u>
	<u>29,056</u>	<u>18,594</u>

16 Creditors: amounts falling due within one year

	1991 £'000	1990 £'000
Bank loans and overdrafts	11,127	-
Trade creditors	3,618	4,355
Amounts owed to Maxwell Communication Corporation plc	-	11,819
Corporation tax	-	1,591
Other taxation and social security payable	232	217
Other creditors	1,311	1,746
Accruals and deferred income	4,030	2,933
Dividends payable	-	8,145
	<u>20,318</u>	<u>30,806</u>

17 Creditors: amounts falling due after one year

	1991 £'000	1990 £'000
Journal and other subscription received in advance of publication being dispatched:		
Within one year	40,552	39,432
After more than one year	2,256	2,213
	<u>42,808</u>	<u>41,645</u>

18 Preferred taxation

Deferred taxation provided in the financial statements, and the total potential liability including the amounts for which provision has been made, are as follows:

	Amount provided		Total potential liability	
	1991 £'000	1990 £'000	1991 £'000	1990 £'000
Tax effect of timing differences because of:				
Excess of tax allowances over depreciation	-	167	-	167
Other	-	(40)	-	(40)
	<u>-</u>	<u>127</u>	<u>-</u>	<u>127</u>
	<u>-</u>	<u>127</u>	<u>-</u>	<u>127</u>

The movements on the provision during the year were as follows:

	£
Balance at 1 April 1990	127
Transfer to profit and loss account	(127)
Balance at 31 March 1991	<u>-</u>

19 Pension and similar obligations

During the year the Company participated in a group pension scheme operated by Maxwell Communication Corporation plc. Contributions and pensions costs are based on pension costs across the Group as a whole. The pension scheme is of the defined benefit type and its assets are held in a separate trustee administered fund. The fund is valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. The latest actuarial assessment of the scheme was at 5 April 1988. Particulars of the valuation are contained in the accounts of Maxwell Communication Corporation plc.

No pension costs were charged by the Company during the year.

20 Called-up share capital

	1991	1990
	£'000	£'000
Authorised, allotted, called up and fully paid 10,000,020 ordinary shares of 10p each	1,000	1,000
	<u> </u>	<u> </u>

21 Revaluation reserve

	£'000
Balance at 1 April 1990 and 31 March 1991	231,872
	<u> </u>

22 Other reserve

Other reserve represents that part of the Company's reserves regarded as preacquisition by Maxwell Communication Corporation plc.

23 Ultimate parent company

At 31 March 1991 the directors regard Maxwell Communication Corporation plc, a company registered in England and Wales, as the ultimate parent company. As of 16 May 1991, Elsevier NV, a company registered in The Netherlands, became the ultimate parent company.