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Registered no: 2043034

Blackhorse Distribution Limited

Annual report

for the year ended 31 December 1994



# **Blackhorse Distribution Limited**

## **Annual report for the year ended 31 December 1994**

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# **Blackhorse Distribution Limited**

## **Report of the director for the year ended 31 December 1994**

The director presents his report and the audited financial statements for the year ended 31 December 1994.

### **Principal activities**

The principal activity of the company is that of magazine distribution.

### **Review of business**

The profit and loss account for the year is set out on page 4.

Both the level of business and the year end financial position were satisfactory given difficult trading conditions towards the latter part of the financial year. These conditions have not improved in 1995 and consequently the director expects some deterioration in the results as compared to 1994.

### **Dividends**

A final dividend of £1,500 per ordinary share (1993: £NIL) was declared and paid on 13 January 1994 and accordingly the retained profit after taxation for the year of £53,304 (1993: £38,997) has been transferred to reserves.

### **Director**

S A Fox was the sole director of the company for the year ended 31 December 1994.

### **Director's interests in shares of the company**

The director held no interests in the shares of the company during the year. His interest in the shares of the ultimate parent company, Europress Holdings Limited are disclosed in that company's financial statements.

# **Blackhorse Distribution Limited**

## **Director's responsibilities**

The director is required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

The director confirms that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 1994. The director also confirms that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The director is responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and the group and to prevent and detect fraud and other irregularities.

## **Taxation status**

The company is a close company as defined by the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

## **Changes in fixed assets**

The movements in fixed assets during the year are set out in note 8 to the financial statements.

## **Post balance sheet events**

On 9 January 1995 a dividend of £1,250 per ordinary share, totalling £125,000 was paid out of retained profits.

## **Auditors**

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

By order of the board



**W T Mullen**

**Company secretary**

11 October 1995

# **Report of the auditors to the members of Blackhorse Distribution Limited**

We have audited the financial statements on pages 4 to 11.

## **Respective responsibilities of director and auditors**

As described on page 2 the company's director is responsible for the preparation of 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.

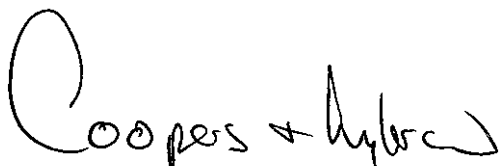
## **Basis of opinion**

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 director 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 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Coopers & Lybrand**

**Chartered Accountants and Registered Auditors**

London

26/12 1995

# Blackhorse Distribution Limited

## Profit and loss account for the year ended 31 December 1994

|  | Notes | 1994<br>£        | 1993<br>£ |
|--|-------|------------------|-----------|
| <b>Turnover</b>                                      | 2     | <b>639,942</b>   | 376,968   |
| Cost of sales  |       | <b>(191,520)</b> | (166,943) |
| <b>Gross profit</b>                                  |       | <b>448,422</b>   | 210,025   |
| Net operating expenses                               | 3     | <b>(168,378)</b> | (188,840) |
| Bank interest received                               |       | <b>25,953</b>    | 30,512    |
| <b>Profit on ordinary activities before taxation</b> | 4     | <b>305,997</b>   | 51,697    |
| Taxation   | 7     | <b>(102,693)</b> | (12,700)  |
| <b>Profit on ordinary activities after taxation</b>  |       | <b>203,304</b>   | 38,997    |
| Dividends  | 8     | <b>(150,000)</b> | -         |
| <b>Retained profit for the year</b>                  |       | <b>53,304</b>    | 38,997    |
| <b>Statement of retained profits</b>                 |       |                  |           |
| Retained profit at 1 January 1994                    |       | <b>178,185</b>   | 139,188   |
| Retained profit for the year                         |       | <b>53,304</b>    | 38,997    |
| <b>Retained profits at 31 December 1994</b>          |       | <b>231,489</b>   | 178,185   |

The above figures relate entirely to continuing operations.

The company has no recognised gains and losses other than those included in the profits above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year as stated above, and their historical cost equivalents.

# Blackhorse Distribution Limited

## Balance sheet - 31 December 1994

|   | Notes | £           | 1994<br>£ | £           | 1993<br>£ |
|---|-------|-------------|-----------|-------------|-----------|
| <b>Fixed assets</b>                                   |       |             |           |             |           |
| Tangible assets                                       | 9     |             | 18,506    |             | 25,329    |
| <b>Current assets</b>                                 |       |             |           |             |           |
| Debtors   | 10    | 1,931,392   |           | 2,300,794   |           |
| Cash at bank and in hand                              |       | 499,650     |           | 576,152     |           |
|   |       |             |           |             |           |
|   |       | 2,431,042   |           | 2,876,946   |           |
| <b>Creditors:</b> amounts falling due within one year | 11    | (2,217,959) |           | (2,723,990) |           |
|   |       |             |           |             |           |
| <b>Net current assets</b>                             |       |             | 213,083   |             | 152,956   |
|   |       |             |           |             |           |
| <b>Net assets</b>                                     |       |             | 231,589   |             | 178,285   |
|   |       |             |           |             |           |
| <b>Capital and reserves</b>                           |       |             |           |             |           |
| Called-up share capital                               | 12    |             | 100       |             | 100       |
| Profit and loss account                               |       |             | 231,489   |             | 178,185   |
|   |       |             |           |             |           |
| <b>Equity shareholders' funds</b>                     | 13    |             | 231,589   |             | 178,285   |

The financial statements on pages 4 to 11 were approved by the director on 11 October 1995.



**S A Fox** - Director

# **Blackhorse Distribution Limited**

## **Notes to the financial statements for the year ended 31 December 1994**

### **1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### **Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention.

#### **Fixed assets**

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

|   | %       |
|---|---------|
| Fixtures, fittings and computer equipment | 15 - 20 |

#### **Turnover**

Turnover, which excludes value added tax and trade discounts, represents the commission earned on magazines distributed.

#### **Deferred taxation**

Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is probable that a liability or asset will crystallise.

#### **Cash flow statement**

The company is a wholly owned subsidiary of Europress Holdings Limited and its cash flows are included within the consolidated group cash flow statement. Consequently the company is exempt from requirement to publish a cash flow statement.



# Blackhorse Distribution Limited

## Foreign currencies

Assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

## 2 Turnover

|                        | 1994<br>£ | 1993<br>£ |
|------------------------|-----------|-----------|
| Geographical analysis: |           |           |
| United Kingdom         | 362,833   | 330,668   |
| Overseas               | 277,109   | 46,300    |
|                        | <hr/>     | <hr/>     |
|                        | 639,942   | 376,968   |
|                        | <hr/>     | <hr/>     |

## 3 Net operating expenses

Net operating expenses are made up as follows:

|                         | 1994<br>£ | 1993<br>£ |
|-------------------------|-----------|-----------|
| Administrative expenses | 168,378   | 188,840   |
|                         | <hr/>     | <hr/>     |

## 4 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging:

|                                       | 1994<br>£ | 1993<br>£ |
|---------------------------------------|-----------|-----------|
| Depreciation of tangible fixed assets | 9,098     | 8,632     |
| Management charge                     | 31,994    | 26,005    |
| Auditors' remuneration                | 7,500     | 7,500     |
|                                       | <hr/>     | <hr/>     |

The management charge is from Europress Holdings Limited.

# Blackhorse Distribution Limited

## 5 Director's emoluments

The salary of the director is borne and accounted for in the financial statements of the ultimate parent company.

## 6 Employee information

The average weekly number of persons employed by the company, including the executive director, during the year are analysed below:

|            | 1994<br>Number | 1993<br>Number |
|------------|----------------|----------------|
| Sales      | 5              | 5              |
| Management | 1              | 1              |
|            | —              | —              |
|            | 6              | 6              |
|            | —              | —              |

### Employment costs - all employees

|   | 1994<br>£     | 1993<br>£     |
|---|---------------|---------------|
| Wages and salaries                      | 50,512        | 62,135        |
| Social Security costs                   | 4,682         | 5,815         |
| Other pension costs                     | 472           | 967           |
|   | —             | —             |
| <b>Total direct costs of employment</b> | <b>55,666</b> | <b>68,917</b> |
|   | —             | —             |

## 7 Taxation

|  | 1994<br>£      | 1993<br>£     |
|--|----------------|---------------|
| United Kingdom corporation tax at 33% (1992 - 25%) |                |               |
| Current  | 102,620        | 12,700        |
| Under provision in respect of earlier years        | 73             | -             |
|  | —              | —             |
|  | <b>102,693</b> | <b>12,700</b> |
|  | —              | —             |

# Blackhorse Distribution Limited

## 8 Dividends

|  | 1994<br>£ | 1993<br>£ |
|--|-----------|-----------|
| Amount paid to company shareholders:<br>£1,500 per share | 150,000   | -         |

## 9 Tangible fixed assets

|                                       | Fixtures, fittings and<br>computer equipment<br>£ |
|---------------------------------------|---|
| <b>Cost</b>                           |   |
| At 1 January 1994                     | 53,204  |
| Additions                             | 2,275   |
| <b>At 31 December 1994</b>            | <b>55,479</b>                                     |
| <b>Depreciation</b>                   |   |
| At 1 January 1994                     | 27,875  |
| Charge for the year                   | 9,098   |
| <b>At 31 December 1994</b>            | <b>36,973</b>                                     |
| <b>Net book value</b>                 |   |
| <b>At 31 December 1994</b>            | <b>18,506</b>                                     |
| Net book value<br>At 31 December 1993 | 25,329  |

## 10 Debtors

|  | 1994<br>£        | 1993<br>£        |
|--|------------------|------------------|
| <b>Amounts falling due within one year</b> |                  |                  |
| Trade debtors                              | 1,475,225        | 1,837,110        |
| Amounts due from ultimate holding company  | 451,922          | 424,305          |
| Amounts due from fellow subsidiaries       | 1,105            | -                |
| Other debtors                              | -                | 36,212           |
| Prepayments and accrued income             | 3,140            | 3,167            |
|  | <b>1,931,392</b> | <b>2,300,794</b> |

# Blackhorse Distribution Limited

## 11 Creditors: amounts falling due within one year

|  | 1994      | 1993      |
|--|-----------|-----------|
|  | £         | £         |
| Trade creditors                                | 1,146,239 | 1,282,254 |
| Amounts owed to fellow subsidiary undertakings | 934,722   | 1,423,668 |
| Corporation tax                                | 102,620   | -         |
| Accruals                                       | 34,378    | 18,068    |
|  | <hr/>     | <hr/>     |
|  | 2,217,959 | 2,723,990 |
|  | <hr/>     | <hr/>     |

## 12 Called up share capital

|                                    | Ordinary shares of<br>£1 each |       |
|------------------------------------|-------------------------------|-------|
|                                    | 1994                          | 1993  |
| Authorised - value                 | £100                          | £100  |
|                                    | <hr/>                         | <hr/> |
| - number                           | 100                           | 100   |
|                                    | <hr/>                         | <hr/> |
| Allotted, called up and fully paid |                               |       |
| - value                            | £100                          | 100   |
|                                    | <hr/>                         | <hr/> |
| - number                           | 100                           | 100   |
|                                    | <hr/>                         | <hr/> |

## 13 Reconciliation of shareholders' funds

|                               | 1994    | 1993    |
|-------------------------------|---------|---------|
|                               | £       | £       |
| Opening shareholders' funds   | 178,285 | 139,288 |
| Profit for the financial year | 53,304  | 38,997  |
|                               | <hr/>   | <hr/>   |
| Closing shareholders' funds   | 231,589 | 178,285 |
|                               | <hr/>   | <hr/>   |

## 14 Post balance sheet events

On 9 January 1995 a dividend of £1,250 per ordinary share, totalling £125,000 was paid.

## **Blackhorse Distribution Limited**

### **15 Related party transactions**

All of the company's trading income is derived from the distribution of publications produced by fellow subsidiary undertakings.

### **16 Contingent liabilities**

The company is party, with other group companies, to an unlimited multi-lateral guarantee in favour of the group's bankers. The group had no net borrowings at 31 December 1994.

### **17 Ultimate parent company**

The director regards Europress Holdings Limited, a company registered in England and Wales, as the ultimate parent company.