

**REGISTRAR OF
COMPANIES**

2056979.

G.E. PUBLISHING LIMITED

Report and financial statements

Year ended

30 June 1993



G.E. PUBLISHING LIMITED

Annual report and financial statements for the year ended 30 June 1993

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Directors

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Directors

P L Edwards
E C P Glaze
P A Costick

Secretary and Registered Office

P A Costick, 8 Baker Street, London, W1M 1DA

Company number

2056979

Auditors

Stoy Hayward, 8 Baker Street, London, W1M 1DA.

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G.E. PUBLISHING LIMITED

Report of the directors for the year ended 30 June 1993

The directors present their report together with the audited financial statements for the year ended 30 June 1993.

Results and dividends

The consolidated profit and loss account is set out on page 3 and shows the trading profit for the year.

The directors do not recommend the payment of a dividend.

Principal activities, trading review and future developments

The principal activity of the company is the research and development of new publishing concepts. The group's principal activity is the provision of editorial copy and layout for magazines.

Since the year end, the company has launched a new monthly magazine 'Inspirations'.

The directors anticipate that the group will continue to trade profitably in the future.

There have been no events since the balance sheet date which materially affect the position of the group.

Significant changes in fixed assets

Movements in tangible fixed assets are set out in note 9 to the financial statements.

Directors

The directors of the company during the year and their interests in the ordinary share capital of the company at the beginning and end of the year were:

	Ordinary shares of £1 each
P L Edwards	375
E C P Glaze	375
P A Costick	250

G.E. PUBLISHING LIMITED

Report of the directors for the year ended 30 June 1993 (Continued)

Statement of 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:

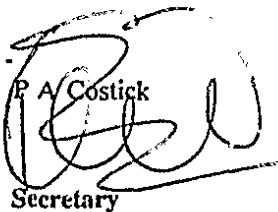
- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

Auditors

Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board


P. A. Costick
Secretary

Date 8/12/93

G.E. PUBLISHING LIMITED

Consolidated profit and loss account for the year ended 30 June 1993

	Note	1993 £	1992 £
Turnover	2	5,722,413	6,022,558
Cost of sales		4,003,193	4,234,074
		<hr/>	<hr/>
Gross profit		1,719,220	1,788,484
Administrative expenses		1,455,845	1,557,910
		<hr/>	<hr/>
		263,375	230,574
Interest receivable	3	60,929	70,589
Share of profit of associated undertaking		27,052	72,507
		<hr/>	<hr/>
Profit on ordinary activities before taxation	4	351,356	373,670
Taxation on profits from ordinary activities	6	151,482	111,645
		<hr/>	<hr/>
Profit on ordinary activities after taxation	7	199,874	262,025
Dividends	8	-	135,000
		<hr/>	<hr/>
Retained profit for the year	15	199,874	127,025
		<hr/>	<hr/>

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 8 to 17 form part of these financial statements

G.E. PUBLISHING LIMITED

Reconciliation of movements in shareholders' funds for the year ended 30 June 1993

	1993 £	1992 £
Reconciliation of movements in shareholders' funds		
Profit for the year	199,874	262,025
Dividends	-	(135,000)
	<hr/>	<hr/>
Net addition to shareholders' funds	199,874	127,025
Opening shareholders' funds	566,384	439,359
	<hr/>	<hr/>
Net assets at 30 June 1993	766,258	566,384
	<hr/>	<hr/>

The notes on pages 8 to 17 form part of these financial statements

G.E. PUBLISHING LIMITED

Consolidated balance sheet at 30 June 1993

	Note	1993	1992
		£	£
Fixed assets			
Tangible fixed assets	9	268,304	370,195
Investments	10	68,951	57,405
		<u>337,255</u>	<u>427,600</u>
Current assets			
Stocks	11	204,731	276,560
Debtors	12	242,210	461,171
Cash at bank and in hand		1,138,881	682,871
		<u>1,585,822</u>	<u>1,420,602</u>
Creditors: amounts falling due within one year	13	<u>1,156,819</u>	<u>1,281,818</u>
Net current assets		<u>429,003</u>	<u>138,784</u>
Total assets less current liabilities		<u>766,258</u>	<u>566,384</u>
Capital and reserves			
Called up share capital	14	1,000	1,000
Profit and loss account	15	765,258	565,384
		<u>766,258</u>	<u>566,384</u>

The financial statements were approved by the Board on

8th December 1993

P L Edwards

Director

The notes on pages 8 to 17 form part of these financial statements

G.E. PUBLISHING LIMITED

Balance sheet at 30 June 1993

	Note	1993	1992
		£	£
Fixed assets			
Tangible fixed assets	9	96,259	122,636
Investments	10	28,726	28,726
		<u>124,985</u>	<u>151,362</u>
Current assets			
Debtors	12	163,474	184,769
Cash at bank and in hand		907,224	547,346
		<u>1,070,698</u>	<u>732,115</u>
Creditors: amounts falling due within one year	13	473,853	355,356
		<u>596,845</u>	<u>376,759</u>
Net current assets		<u>596,845</u>	<u>376,759</u>
Total assets less current liabilities		<u>721,830</u>	<u>528,121</u>
Capital and reserves			
Called up share capital	14	1,000	1,000
Profit and loss account	15	720,830	527,121
		<u>721,830</u>	<u>528,121</u>

The financial statements were approved by the Board on 8th December 1993

P L Edwards

Director

The notes on pages 8 to 17 form part of these financial statements

G.E. PUBLISHING LIMITED

Consolidated cash flow statement for the year ended 30 June 1993

	Note	£	1993 £	£	1992 £
Net cash inflow from operating activities	18		526,221		597,737
Returns on investments and servicing of finance					
Interest received		60,929		70,589	
Dividends paid		-		(135,000)	
Net cash outflow from returns on investment and servicing of finance			60,929		(64,411)
Taxation					
Corporation tax paid			(78,242)		(19,657)
Investing activities					
Payments to acquire tangible fixed assets		(53,894)		(265,217)	
Receipts from sales of tangible fixed assets		996		2,887	
Net cash outflow from investing activities			(52,898)		(262,330)
Increase in cash and cash equivalents	19		456,010		251,335

The notes on pages 8 to 17 form part of these financial statements

G.E. PUBLISHING LIMITED

Notes forming part of the financial statements for the year ended 30 June 1993

1 Accounting policies

There have been no changes in accounting policies during the year.

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax. Royalty income is accounted for on a received basis.

Basis of consolidation

The consolidated accounts incorporate the accounts of G.E. Publishing Limited, its subsidiary undertakings and associated undertaking, made up to 30 June 1993. The acquisition method of accounting has been used to consolidate the results of the subsidiary undertakings in the group accounts. The equity method of accounting has been used to consolidate the results of the associated undertaking in the group accounts.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets over their expected useful lives on a straight line basis, calculated at the following rates:

Furniture, fixtures and fittings	-	20% per annum
Office equipment	-	20% per annum
Motor vehicles	-	25% per annum
Computer equipment	-	30% per annum

Goodwill

Goodwill arising on acquisitions is written off against reserves in the year of acquisition. No adjustments were made to the book value of assets acquired or provisions in respect of the business acquired.

Stock and work in progress

Raw materials are valued at cost of purchase on a first in, first out basis. Work in progress is valued at the lower of cost and net realisable value.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes to the extent that a liability or asset will crystallise.

G.E. PUBLISHING LIMITED

Notes forming part of the financial statements for the year ended 30 June 1993 (Continued)

1 Accounting policies (Continued)

Leased assets

Leases are treated as 'operating leases' when the leasing agreement does not give rights approximating to ownership. Their annual rentals are charged to the profit and loss account on a straight-line basis over the lease term.

Pension costs

Contributions to the group's schemes are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives with the company.

2 Turnover

	1993 £	1992 £
Analysis by market:		
United Kingdom	5,130,717	5,475,458
Europe	472,571	402,471
Other	119,125	144,629
	<u>5,722,413</u>	<u>6,022,558</u>

3 Interest receivable

Bank interest receivable	60,929	70,589
	<u>60,929</u>	<u>70,589</u>

4 Profit on ordinary activities before taxation

This is arrived at after charging/(crediting):

Depreciation	155,494	110,133
Auditors' remuneration - audit services	13,275	21,626
- non audit services	5,376	-
Staff costs (note 5)	2,028,983	2,186,751
Operating lease charges - office equipment	46,387	46,494
- land and buildings	200,000	53,608
Profit on sale of fixed assets	(705)	-
Release of provision against cost of investment in associated undertaking	-	(9,776)
	<u>2,440,930</u>	<u>2,428,592</u>

G.E. PUBLISHING LIMITED

Notes forming part of the financial statements for the year ended 30 June 1993 (*Continued*)

5 Employees

	1993 £	1992 £
Staff costs (including directors) consist of:		
Wages and salaries	1,733,363	1,922,443
Social security costs	176,652	186,200
Other pension costs	94,559	78,108
	<u>2,004,574</u>	<u>2,186,751</u>

The average weekly number of employees during the year was 88 (1992 - 106)

Directors' emoluments

Other emoluments	229,466	248,463
Pensions	66,000	58,080
	<u>295,466</u>	<u>306,543</u>

Emoluments (excluding pension contributions) of:

Chairman	73,933	73,095
Highest paid director	81,892	95,178

The remuneration of the other directors fell within the following ranges

	Number	Number
£70,001 to £75,000	1	-
£80,001 to £85,000	-	1

G.E. PUBLISHING LIMITED

Notes forming part of the financial statements for the year ended 30 June 1993 (Continued)

6 Taxation on profit on ordinary activities

	1993 £	1992 £
UK corporation tax at current rates based on profit for year	113,271	81,633
Underprovision in prior years	15,107	5,134
Share of corporation tax of associate	15,506	24,878
Overseas tax suffered	7,598	-
	<u>151,482</u>	<u>111,645</u>

The company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

7 Profit for the year

	1993 £	1992 £
Profit dealt with in the accounts of the parent company	<u>193,709</u>	<u>83,579</u>

The company has taken advantage of the exemption from presenting its own profit and loss account, under section 230(3) of the Companies Act 1989.

8 Dividends

	1993 £	1992 £
Paid £Nil (1992 - £135) per ordinary share	<u>-</u>	<u>135,000</u>

G.E. PUBLISHING LIMITED

Notes forming part of the financial statements for the year ended 30 June 1993 (Continued)

9 Tangible fixed assets

Group	Furniture fixtures and fittings £	Office equipment £	Motor vehicles £	Computer equipment £	Total £
<i>Cost or valuation</i>					
At 1 July 1992	65,516	56,337	130,214	313,273	565,340
Additions	5,406	5,310	-	43,178	53,894
Disposals	-	(11,501)	-	-	(11,501)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1993	70,922	50,146	130,214	356,451	607,733
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>					
At 1 July 1992	23,601	35,717	63,073	72,754	195,145
Provided for the year	13,595	11,042	32,556	98,301	155,494
Disposals	-	(11,210)	-	-	(11,210)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1993	37,196	35,549	95,629	171,055	339,429
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>					
At 30 June 1993	33,726	14,597	34,585	185,396	268,304
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1992	41,915	20,620	67,141	240,519	370,195
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

G.E. PUBLISHING LIMITED

Notes forming part of the financial statements for the year ended 30 June 1993 (Continued)

9 Tangible fixed assets

Company	Furniture fixtures and fittings £	Office equipment £	Motor vehicles £	Computer equipment £	Total £
<i>Cost or valuation</i>					
At 1 July 1992	45,001	56,337	104,715	41,957	248,010
Additions	5,311	5,310	-	23,632	34,253
Disposals	-	(11,501)	-	-	(11,501)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1993	50,312	50,146	104,715	65,589	270,762
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>					
At 1 July 1992	20,941	35,717	50,179	18,537	125,374
Provided for the year	9,485	11,042	26,183	13,629	60,339
Disposals	-	(11,210)	-	-	(11,210)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1993	30,426	35,549	76,362	32,166	174,503
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>					
At 30 June 1993	19,886	14,597	28,353	33,423	96,259
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1992	24,060	20,620	54,536	23,420	122,636
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

G.E. PUBLISHING LIMITED

Notes forming part of the financial statements for the year ended 30 June 1993 (Continued)

10 Fixed asset investments

	Group		Company	
	Investment in associate £	Investment in subsidiary £	Investment in associate £	Total £
Cost at 1 July 1992 and 30 June 1993	28,722	4	28,722	28,726
Less: Goodwill written off	(18,946)			
	9,776			
Share of retained earnings	59,175			
	68,951			

The following were subsidiary and related undertakings at the end of the year.

Name of company	Country of registration	Proportion of ordinary share capital held	Nature of business
G.E. Magazines Limited	England	100%	Production of editorial copy and layouts
Inspirations Publishing Limited (formerly Newmill Limited)	England	100%	Dormant
G.E. Fabbri Limited	England	48.9%	Production and sale of partwork magazines

11 Stocks

	Group		Company	
	1993	1992	1993	1992
	£	£	£	£
Work in progress	204,731	276,560	-	-

The directors are of the opinion that the replacement cost of stocks is not materially different to cost.

G.E. PUBLISHING LIMITED

Notes forming part of the financial statements for the year ended 30 June 1993 (*Continued*)

12 Debtors

	Group		Company	
	1993	1992	1993	1992
	£	£	£	£
Trade debtors	32,670	283,946	-	-
Amounts due from associated undertaking	35,171	31,437	35,171	31,437
Prepayments and accrued income	172,514	53,860	126,447	88,935
Other debtors	1,855	91,928	1,856	53,481
Amounts due from subsidiary undertakings	-	-	-	10,916
	<u>242,210</u>	<u>461,171</u>	<u>163,474</u>	<u>184,769</u>

All amounts shown above fall due for payments within one year

13 Creditors: amounts falling due within one year

	Group		Company	
	1993	1992	1993	1992
	£	£	£	£
Trade creditors	229,774	298,372	59,627	33,949
Amounts due to subsidiary undertaking	-	-	142,359	-
Taxation and social security	200,359	208,656	200,359	208,656
Corporation tax	82,311	91,833	33,583	90,660
Accruals and deferred income	644,375	682,957	37,925	22,091
	<u>1,156,819</u>	<u>1,281,818</u>	<u>473,853</u>	<u>355,356</u>

14 Called up share capital

	Group	Company
	£	£
<i>Authorised, allotted and fully paid</i>		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

G.E. PUBLISHING LIMITED

Notes forming part of the financial statements for the year ended 30 June 1993 (Continued)

15 Reserves

	Group £	Company £
Profit and loss account		
At 1 July 1992	565,384	527,121
Profit for year	199,874	193,709
	<hr/>	<hr/>
At 30 June 1993	765,258	720,830
	<hr/>	<hr/>

The company's share of aggregate net profits retained by its associated undertaking is £59,175 (1992 - £47,629).

Goodwill totalling £18,946 (1992 - £18,946) has been written off against reserves of the group.

16 Pensions

The group operates a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £28,559 (1992 - £20,314).

The group also operates a defined benefit pension scheme for its directors. The funds of the scheme, which are held separately from those of the company, are administered by an independently administered fund. The contributions are determined by a qualified actuary on the basis of triennial valuations. The pension cost charge represents contributions payable by the group to the fund and amounted to £66,000 (1992 - £58,080).

17 Commitments under operating leases

As at 30 June 1993, the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings		Other	
	1993	1992	1993	1992
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	2,443	779
In two to five years	200,000	200,000	38,113	46,494
	<hr/>	<hr/>	<hr/>	<hr/>
	200,000	200,000	40,556	47,273
	<hr/>	<hr/>	<hr/>	<hr/>

G.E. PUBLISHING LIMITED

Notes forming part of the financial statements for the year ended 30 June 1993 (Continued)

18 Reconciliation of operating profit to net cash outflow from operating activities

	1993 £	1992 £
Operating profit	263,375	230,574
Depreciation charges	155,494	110,133
Decrease in stocks	71,829	24,156
(Increase)/decrease in debtors	170,966	(240,216)
(Decrease)/increase in creditors	(115,477)	513,373
Withholding tax	(19,261)	(30,507)
Profit on sale of fixed asset/release of provision	(705)	(9,776)
	<hr/>	<hr/>
Net cash inflow from operating activities	526,221	597,737
	<hr/>	<hr/>

19 Analysis of changes in cash equivalents during the year

At 1 July 1992	682,871	431,536
Net cash inflow	456,010	251,335
	<hr/>	<hr/>
At 30 June 1993	1,138,881	682,871
	<hr/>	<hr/>

G.E. PUBLISHING LIMITED

Report of the auditors

To the shareholders of G.E. Publishing Limited

We have audited the financial statements on pages 3 to 17 which have been prepared under the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

As described on page 2 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 an 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 misstatements, 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 group's and the company's affairs at 30 June 1993 and of the profit for the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



STOY HAYWARD

Chartered Accountants
and Registered Auditors
London

8 December 1993