

MARK ALLEN HOLDINGS LIMITED

FINANCIAL STATEMENTS

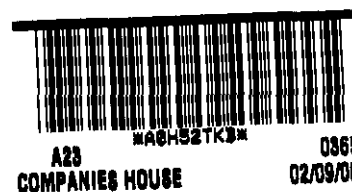
31 MARCH 2000

Company Registration Number 2120366

HEXTALL MEAKIN

Chartered Accountants & Registered Auditors

Argon House
Argon Mews
Fulham Broadway
London
SW6 1BJ



MARK ALLEN HOLDINGS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2000

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MARK ALLEN HOLDINGS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2000

The directors present their annual report and audited financial statements of the company and the group for the year ended 31 March 2000.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The group is engaged in the publication of medical, leisure and trade journals, the organisation of medical conferences and the provision of tour operator services.

The group has experienced a difficult trading performance during the year in its operations but the directors are confident that all aspects of the business will improve in the forthcoming year.

Sufficient finance is available to take advantage of future business opportunities, and the directors consider the state of affairs to be satisfactory at the year end.

RESULTS AND DIVIDENDS

The trading results for the year, and the group's financial position at the end of the year are shown in the attached financial statements.

The directors do not recommend the payment of a dividend.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors in office in the year and their beneficial interests in the company's issued ordinary share capital were as follows:-

	<u>31 March 2000</u>	<u>1 April 1999</u>
M Allen	24,600	24,600
S Allen	5,400	5,400

FIXED ASSETS

Changes in fixed assets are given in notes 8, 9 and 10 to the financial statements

In the opinion of the directors the value of the freehold property is not materially different from the book value included in these accounts.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;

MARK ALLEN HOLDINGS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2000

DIRECTORS' RESPONSIBILITIES *(CONTINUED)*

- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group 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 group and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Hextall Meakin, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Signed on behalf of the directors



M ALLEN
Director

Approved by the directors on

24th August, 2000

Hextall Meakin

Chartered Accountants

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MARK ALLEN HOLDINGS LIMITED

AUDITOR' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31 MARCH 2000

We have audited the financial statements on pages 4 to 20 which have been prepared under the historical cost convention and the accounting policies set out in note 1 to the accounts.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on pages 1 and 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial 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 and the group'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 accounts 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 accounts.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's and the group's affairs as at 31 March 2000 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Argon House
Argon Mews
Fulham Broadway
London
SW6 1BJ



HEXTALL MEAKIN
CHARTERED ACCOUNTANTS
& REGISTERED AUDITORS

Dated: 30th August, 2000

MARK ALLEN HOLDINGS LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2000

	<u>Notes</u>	<u>2000</u> £	<u>1999</u> £
Turnover	1 & 2		
Continuing operations		6,010,872	4,956,788
Acquisitions		-	192,606
		<u>6,010,872</u>	<u>5,149,394</u>
Cost of sales		<u>(4,804,999)</u>	<u>(3,807,538)</u>
Gross Profit		1,205,873	1,341,856
Net operating expenses		1,347,572	(1,172,348)
Operating (loss) / profit	3		
Continuing operations		(141,699)	168,629
Acquisitions		-	879
(Loss) / profit on ordinary activities before interest		(141,699)	169,508
Interest receivable and similar income		15,572	19,403
Interest payable and similar charges	4	<u>(5,564)</u>	<u>(15,716)</u>
(Loss) / profit on ordinary activities before taxation		(131,691)	173,195
Taxation	7	<u>(52)</u>	<u>-</u>
(Loss) / profit on ordinary activities after taxation		(131,743)	173,195
Retained profit brought forward		<u>324,960</u>	<u>151,765</u>
Retained profit carried forward		<u>£ 193,217</u>	<u>£ 324,960</u>

All of the groups activities are classified as continuing

There were no recognised gains or losses other than the profit for the above years

The notes on pages 8 to 20 form part of these financial statements

MARK ALLEN HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2000

	<u>Notes</u>	<u>2000</u>	<u>1999</u>
		£	£
Fixed assets			
Intangible assets	8	336,551	349,193
Tangible assets	9	<u>725,260</u>	<u>687,982</u>
		1,061,811	1,037,175
Current assets			
Stocks	11	122,466	146,757
Debtors	12	874,942	917,880
Cash at bank and in hand		<u>350,171</u>	<u>623,344</u>
		1,347,579	1,687,981
Creditors: amounts falling due within one year	13	<u>(2,182,242)</u>	<u>(2,337,085)</u>
Net current liabilities		<u>(834,663)</u>	<u>(649,104)</u>
Total assets less current liabilities		227,148	388,071
Creditors: amounts falling due after more than one year	14	<u>(3,931)</u>	<u>(33,111)</u>
		<u>£ 223,217</u>	<u>£ 354,960</u>
Capital and reserves			
Called up share capital	15	30,000	30,000
Profit and loss account		<u>193,217</u>	<u>324,960</u>
Shareholders' funds	16	<u>£ 223,217</u>	<u>£ 354,960</u>

Signed on behalf of the board of directors



M Allen
Director

Approved by the board on: 24th August, 2000

The notes on pages 8 to 20 form part of these financial statements

Mark Allen Holdings Limited

COMPANY BALANCE SHEET

AS AT 31 MARCH 2000

	<u>Notes</u>	<u>2000</u>	<u>1999</u>
		£	£
Fixed assets			
Investments	10	30,200	30,200
Current assets			
Debtors	12	100	100
Cash at bank and in hand		<u>3</u>	<u>3</u>
		103	103
Creditors: amounts falling due within one year	13	<u>(1,964)</u>	<u>(1,964)</u>
Net current (liabilities)		<u>(1,861)</u>	<u>(1,861)</u>
Total assets less current liabilities		<u>£ 28,339</u>	<u>£ 28,339</u>
Capital and reserves			
Called up share capital	15	30,000	30,000
Profit and loss account		<u>(1,661)</u>	<u>(1,661)</u>
Shareholders' funds	16	<u>£ 28,339</u>	<u>£ 28,339</u>

Signed on behalf of the board of directors



M Allen
Director

Approved by the board on:

24th August, 2000

The notes on pages 8 to 20 form part of these financial statements

MARK ALLEN HOLDINGS LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2000

	<u>Notes</u>	<u>2000</u> <u>£</u>	<u>1999</u> <u>£</u>
Cash flow from operating activities	17	(106,704)	534,624
Returns on investments and servicing of finance	18	10,008	3,687
Taxation	18	(6,681)	-
Capital expenditure	18	<u>(162,922)</u>	<u>(201,620)</u>
		(266,299)	336,691
Financing	18	<u>(33,593)</u>	<u>(123,126)</u>
(Decrease) / increase in cash	19,20	<u>£ (299,892)</u>	<u>£ 213,565</u>

The notes on pages 8 to 20 form part of these financial statements

MARK ALLEN HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2000

1. Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost convention.

Consolidation

The group financial statements include the accounts of the company and its subsidiaries made up to the year ended 31 March 2000.

No profit and loss account for Mark Allen Holdings Limited is presented as provided by section 230 of the Companies Act 1985. The company's profit for the year was £nil (1999 : £nil) .

Turnover

Turnover represents net invoiced value of goods and services provided excluding VAT.

Tangible fixed assets

Depreciation is charged on tangible fixed assets so as to write off their full cost less estimated residual balance over their expected useful lives at the following annual rates:

Office equipment	20% on cost
Fixtures and fittings	20% on cost
Motor vehicles	25% on cost
Freehold properties	1% on cost

Intangible fixed assets

Purchased goodwill is capitalised on acquisition and amortised over 20 years

Purchased publishing rights and titles are capitalised at cost and amortised over 20 years.

Investments

Fixed asset investments are stated at cost less any provision for permanent diminution in value.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Leases

Assets held under finance leases and hire purchase contracts are included in tangible fixed assets and depreciated using the appropriate rates. Obligations under such agreements are included in creditors net of finance charges allocated to future periods. Finance charges are taken to the profit and loss account so that the annual rate of charge of the outstanding obligation at the end of each accounting period is approximately constant.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

MARK ALLEN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2000

Accounting policies (continued)

Pension costs

The company operates a defined contribution pension scheme for all its employees. Contributions are charged to the profit and loss account for the year in which they are payable to the scheme.

2. Turnover

Geographically

Turnover was wholly attributable to geographical markets inside the United Kingdom (1999 : £Nil outside the United Kingdom) .

Class of business

	<u>2000</u>	<u>1999</u>
	£	£
Turnover		
Publishing	4,293,264	3,762,234
Conferences	952,197	691,317
Travel	765,411	695,843
	<u>£ 6,010,872</u>	<u>£ 5,149,394</u>

Profit/(loss) before tax

Publishing	(50,364)	137,482
Conferences	(15,264)	28,893
Travel	(66,063)	6,820
	<u>£ (131,691)</u>	<u>£ 173,195</u>

3. Operating (loss) / profit

	<u>2000</u>	<u>1999</u>
	£	£
The operating (loss) / profit is stated after charging:		
Depreciation of tangible fixed assets:		
- owned	46,198	74,749
- held under finance leases and hire purchase contracts	50,249	47,284
Amortisation	17,642	19,800
Profit on disposal of fixed assets	(3,360)	(1,801)
Auditors' remuneration	11,000	10,000
	<u></u>	<u></u>

The total figure for operating expenses for 1999 includes the following amounts relating to acquisitions: Cost of sales £141,667 and net operating expenses £68,341 (administrative expenses).

MARK ALLEN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2000

4. Interest payable

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
Bank loans and overdrafts	527	9,261
On finance leases and hire purchase contracts	5,037	6,455
	<u>£ 5,564</u>	<u>£ 15,716</u>

5. Staff costs

Staff costs including directors remuneration, were as follows:

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
Wages and salaries	1,474,950	1,183,922
Social security costs	128,994	119,026
Pension contributions	51,398	24,805
	<u>£ 1,655,342</u>	<u>£ 1,327,753</u>

The average number of persons employed by the group (including directors) was as follows:

	<u>2000</u>	<u>1999</u>
	<u>No</u>	<u>No</u>
Distribution and sales	39	37
Editorial	21	18
Administration	19	17
	<u>79</u>	<u>72</u>

6. Directors' remuneration

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
Emoluments	197,346	142,494
Contributions to money purchase pension schemes	17,621	15,689
	<u>£ 214,967</u>	<u>£ 158,183</u>

MARK ALLEN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2000

6. Directors' remuneration *(continued)*

The number of directors who are accruing benefits under company pension schemes were as follows:

	<u>2000</u>	<u>1999</u>
	<u>No</u>	<u>No</u>
Money purchase schemes	2	2

7. Taxation

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
UK Corporation tax at 20% <i>(1999 : 20%)</i>	-	-
Under provision in prior years	52	-
	<u>£ 52</u>	<u>£ -</u>

MARK ALLEN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2000

8. Intangible fixed assets

	<u>Goodwill</u>	<u>Publishing rights and titles</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>
At cost			
At 1 April 1999	152,892	213,101	365,993
Additions	-	5,000	5,000
Disposals	-	-	-
At 31 March 2000	£ 152,892	£ 218,101	£ 370,993
Amortisation			
At 1 April 1999	6,145	10,655	16,800
Charge for the year	7,645	9,997	17,642
At 31 March 2000	£ 13,790	£ 20,652	£ 34,442
Net book value			
At 31 March 2000	£ 139,102	£ 197,449	£ 336,551
<i>At 31 March 1999</i>	<i>£ 146,747</i>	<i>£ 202,446</i>	<i>£ 349,193</i>

In accordance with Financial Reporting Standard 10 'Goodwill and Intangible Assets' the publishing rights and titles have been stated at cost.

The directors estimate that the market value of the company's publishing rights and titles is in excess of £5m.

No account has been made in the financial statements for this valuation.

The goodwill represents the excess of the cost over the fair value of the assets acquired on the purchase by the group of all the shares of A & D Media Limited.

Goodwill will be amortised over 20 years in accordance with the accounting treatment set out in Financial Reporting Standard 10.

The directors consider that there has been no impairment to the goodwill.

MARK ALLEN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2000

9. Tangible fixed assets

	<u>Freehold</u>	<u>Office</u>	<u>Fixtures</u>	<u>Motor</u>	
	<u>Property</u>	<u>Machinery &</u>	<u>& fittings</u>	<u>Vehicles</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Cost					
At 1 April 1999	462,866	310,847	96,913	333,657	1,204,283
Additions	-	72,500	14,985	72,216	159,701
Disposals	-	-	-	(42,830)	(42,830)
At 31 March 2000	462,866	383,347	111,898	363,043	1,321,154
Depreciation					
At 1 April 1999	15,000	226,747	62,077	212,477	516,301
Charge for year	5,003	44,506	19,117	53,407	122,033
Disposal adjustment	-	-	-	(42,440)	(42,440)
At 31 March 2000	20,003	271,253	81,194	223,444	595,894
Net book value					
At 31 March 2000	£ 442,863	£ 112,094	£ 30,704	£ 139,599	£ 725,260
<i>At 31 March 1999</i>	<i>£ 447,866</i>	<i>£ 84,100</i>	<i>£ 34,836</i>	<i>£ 121,180</i>	<i>£ 687,982</i>

Assets held under finance leases and hire purchase contracts

Included within the net book value of £725,260 is £64,598 (1999 : £114,347) relating to assets held under finance leases and hire purchase contracts.

MARK ALLEN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2000

10. Investments

<u>Company</u>	<u>Subsidiary Undertakings</u>
	<u>£</u>
At 1 April 1999 and 31 March 2000	£ 30,200

Subsidiary undertaking - All 100% owned by the group

<u>Name of Company</u>	<u>Nature of business</u>
Mark Allen Publishing Limited	Publication of medical and leisure trade journals
Mark Allen Scientific Publishing Limited	Publication of scientific and medical journals
A & D Media Limited	Provision of advertising and publishing services
Mark Allen International Communications Limited	Organisation and promotion of conferences
Master Travel Limited	Tour operator

	<u>Group</u>		<u>Company</u>	
<u>11. Stocks</u>	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Paper stock	40,711	37,301	-	-
Other stock	81,755	109,456	-	-
	<u>£ 122,466</u>	<u>£ 146,757</u>	<u>£ -</u>	<u>£ -</u>

	<u>Group</u>		<u>Company</u>	
<u>12. Debtors</u>	<u>2000</u>	<u>1999</u>	<u>1999</u>	<u>2000</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Trade debtors	519,224	535,078	-	-
Unpaid share capital	100	100	100	100
Other debtors	69,265	31,691	-	-
Prepayments	286,353	351,011	-	-
	<u>£ 874,942</u>	<u>£ 917,880</u>	<u>£ 100</u>	<u>£ 100</u>

MARK ALLEN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2000

13. Creditors: amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Bank loans and overdrafts	160,734	134,015	-	-
Trade creditors	308,107	420,357	-	-
Amounts owed to group undertakings	-	-	1,964	1,964
Corporation tax	-	6,000	-	-
Other taxes and social security	92,612	94,166	-	-
Other creditors	30,153	34,566	-	-
Accruals	1,590,636	1,647,981	-	-
	<u>£ 2,182,242</u>	<u>£ 2,337,085</u>	<u>£ 1,964</u>	<u>£ 1,964</u>

14. Creditors: amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Bank loans	-	-	-	-
Other loans	-	-	-	-
Obligations under finance leases and hire purchase contracts	3,931	33,111	-	-
	<u>£ 3,931</u>	<u>£ 33,111</u>	<u>£ -</u>	<u>£ -</u>

MARK ALLEN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2000

14. Creditors: amounts falling due after more than one year (continued)

Obligations under finance lease and hire purchase contracts

	<u>Group</u>		<u>Company</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Repayable within one year	30,153	34,566	-	-
Repayable between one and two years	3,931	29,594	-	-
Repayable between two and five years	-	3,517	-	-
	<u>£ 34,084</u>	<u>£ 67,677</u>	<u>£ -</u>	<u>£ -</u>

	<u>Group</u>		<u>Company</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Analysis of the maturity of debt				
Amounts due within one year	160,734	134,015	-	-
Amounts due between two and five years	-	-	-	-
Amounts due after more than five years	-	-	-	-
	<u>£ 160,734</u>	<u>£ 134,015</u>	<u>£ -</u>	<u>£ -</u>

The bank loans and overdrafts are secured by a fixed and floating charge over the group's assets and are repayable on demand. The finance leases and hire purchase contracts are secured on the assets concerned.

MARK ALLEN HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
FOR THE YEAR ENDED 31 MARCH 2000

15. Share capital

	<u>Company</u>	
	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
Authorised		
50,000 ordinary shares of £1 each	£ 50,000	£ 50,000
Allotted, issued and fully paid		
30,000 ordinary shares of £1 each	£ 30,000	£ 30,000

16. Reconciliation of movements in shareholders' funds

	<u>Group</u>		<u>Company</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
(Loss) / profit for the year	(131,743)	173,195	-	-
Net addition in shareholders' funds	(131,743)	173,195	-	-
Opening shareholders' funds	354,960	181,765	28,339	28,339
Closing shareholders' funds	£ 223,217	£ 354,960	£ 28,339	£ 28,339

MARK ALLEN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2000

17. Reconciliation of operating (loss) / profit to net cash flow from operating activities

	<u>2000</u>	<u>1999</u>
	£	£
Operating (loss) / profit	(141,699)	169,508
Depreciation of tangible fixed assets	122,033	102,597
Amortisation of intangible fixed assets	17,642	19,800
Profit on sale of fixed assets	(3,360)	(1,801)
(Increase) in stock	24,291	(11,608)
Decrease in debtors	45,538	2,576
(Decrease) / increase in creditors	(171,149)	253,552
Cash flow from operating activities	£ (106,704)	£ 534,624

18. Gross cash flows

	<u>2000</u>	<u>1999</u>
	£	£
Returns on investments and servicing of finance		
Interest received	15,572	19,403
Interest paid	(527)	(9,261)
Interest element of finance lease rental payments	(5,037)	(6,455)
Net cash inflow for interest	10,008	3,687
Taxation		
UK corporation tax paid	(6,681)	-
Capital expenditure		
Payments to acquire intangible fixed assets	(5,000)	-
Payments to acquire tangible fixed assets	(161,672)	(160,789)
Payments to acquire subsidiary company	-	(5)
Net overdrafts acquired with subsidiary	-	(49,127)
Receipts from the sale of intangible fixed assets		7,000
Receipts from sale of tangible fixed assets	3,750	1,301
Net cash outflow for capital expenditure	(162,922)	(201,620)
Financing		
Repayment of bank loan	-	(24,753)
Repayment of other loans	-	(115,000)
Capital element of finance leases and hire purchase agreements	(33,593)	16,627
Net cash outflow from financing	(33,593)	(123,126)

MARK ALLEN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2000

19. Analysis of changes in net debt

	<u>Balance</u> <u>1 April 1999</u>	<u>Cash</u> <u>flows</u>	<u>Other</u> <u>changes</u>	<u>Balance</u> <u>31 March 2000</u>
Cash in hand and at bank	623,344	(273,173)	-	350,171
Bank overdraft	(134,015)	(26,719)	-	(160,734)
	489,329	(299,892)	-	189,437
Debt due within one year	(34,566)	4,413	-	(30,153)
Debt due after more than one year	(33,111)	29,180	-	(3,931)
Total	£ 421,652	£ (266,299)	£ -	£ 155,353

20. Reconciliation of net cash flow to movement in net debt

	<u>2000</u> <u>£</u>	<u>1999</u> <u>£</u>
(Decrease / increase in cash in the year	(299,892)	213,565
Net cash outflow / (inflow) in respect of finance leases	33,593	(17,900)
Cash paid in repaying bank loans	-	24,753
Cash paid in repaying other loans	-	115,000
Change in net debt	(266,299)	335,418
Net debt at 1 April 1999	421,652	86,234
Net debt at 31 March 2000	£ 155,353	£ 421,652

21. Purchase of subsidiary undertaking

	<u>£</u>
Net assets acquired	
Tangible fixed assets	744
Debtors	71,804
Creditors	(176,308)
Bank overdraft	(49,127)
	(152,887)
Goodwill	152,892
	£ 5
Satisfied by	
Cash	£ 5

MARK ALLEN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2000

22. Commitments

- (a) The company has given an unlimited guarantee to secure the overdrafts of its subsidiaries.
- (b) The company has given a specific guarantee on behalf of Master Travel Limited to the Civil Aviation Authority in connection with the granting of an Air Travel Organisers License (ATOL).
- (c) The subsidiaries have given an unlimited guarantee to secure their own overdrafts and the overdrafts of other group undertakings.

23. Contingencies

The company's bankers have granted a bond dated 23 September 1997 to the Civil Aviation Authority for £67,340. This bond is secured on all the groups' assets.