MARK ALLEN HOLDINGS LIMITED

REPORT AND ACCOUNTS

31 MARCH 1988

COMPANIES HOUSE COPY

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Hacker Young

Hacker Young

AUDITORS' REPORT TO THE MEMBERS OF

MARK ALLEN HOLDINGS LIMITED

We have audited the accounts on pages 2 to 13 in accordance with approved Auditing Standards.

In our opinion the accounts, which have been prepared under the historical cost convention, give a true and fair view of the state of affairs of the company and of the group at 31 March 1988 and of the profit and source and application of funds of the group for the period then ended and comply with the Companies Act 1985.

Hacker Young

16 September 1988

Chartered Accountants

[illegible] LIMITED

DIRECTORS' REPORT

The directors present their report on the affairs of the group together with the audited accounts for the period ended 31 March 1988.

PRINCIPAL ACTIVITIES

The main activities of the group are the publication of medical journals and organisation of medical conferences.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENT

The company was incorporated on 7 April 1987. During the period the company acquired the share capital of its subsidiaries, details of which are shown in note 10 to the accounts.

The level of business during the period was satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

RESULTS AND DIVIDENDS

The results for the period are shown in the profit and loss account on page 2.

The directors do not recommend the payment of a dividend.

DIRECTORS AND THEIR INTERESTS

The directors who held office during the period and their interests in the share capital of the company were as follows:

		Number of ordinary shares of £1 each	
		At end of year	On incorporation
S. Davis	(appointed and resigned 7 April 1987)	-	1
R. Allen	(appointed 7 April 1987)	76	76
S. Allen	(appointed 7 April 1987)	18	18

FIXED ASSETS

Details of changes in tangible fixed assets are shown in note 9 to the accounts.

AUDITORS

Kacker Young were appointed as first auditors to the company. A resolution will be proposed at the annual general meeting to re-appoint Kacker Young as auditors until the conclusion of the next annual general meeting.

Registered Office:

[illegible]

[illegible]

By order of the Board

S. Allen

Secretary

Susan Allen

WALK ALLEN HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 MARCH 1988

	Notes	£
TURNOVER	2	1,649,579
Cost of sales		1,041,126
GROSS PROFIT	2	608,453
Operating expenses	3	532,605
OPERATING PROFIT		75,848
Interest receivable		787
Interest payable	4	(10,011)
Profit on ordinary activities before taxation	5	66,624
Tax on profit on ordinary activities	7	22,800
Profit for the period	16	£ 43,824

The accompanying notes are an integral part of these accounts.

MARK ALLEN HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 1989

	Notes	£	£
FIXED ASSETS			
Intangible assets	8		141,000
Tangible assets	9		42,012
			183,012
CURRENT ASSETS			
Stocks	11	15,229	
Debtors	12	304,107	
Cash at bank and in hand		57,306	
		376,642	
CREDITORS: Amounts falling due within one year	13	520,108	
Net current liabilities			(143,466)
Total assets less current liabilities			39,546
CREDITORS: Amounts falling due after more than one year	14		86,322
DEFICIENCY OF ASSETS			£ (46,776)
CAPITAL AND RESERVES			
Called up share capital	15		100
Profit and loss account	16		(46,876)
			£ (46,776)

Approved by:

M. ALLEN } [illegible]
} DIRECTORS
S. ALLEN } Susan Allen

[illegible] September [illegible]

The accompanying notes are an integral part of these accounts.

MARK ALLEN HOLDINGS LIMITED

COMPANY BALANCE SHEET AS AT 31 MARCH 1988

	Notes	£	£
FIXED ASSETS			
Investments	10		200
			200
CURRENT ASSETS			
Debtors	12	100	
		100	
CREDITORS: Amounts falling due within one year	13	(200)	
NET CURRENT LIABILITIES			(100)
TOTAL NET ASSETS			£ 100
CAPITAL AND RESERVES			
Called up share capital	15		100
Profit and loss account	16		-
			£ 100

Approved by:

M. ALLEN)
) DIRECTORS
S. ALLEN)

Mark Allen

Susan Allen

16 September 1988

The accompanying notes are an integral part of these accounts.

MARK ALLEN HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE PERIOD ENDED 31 MARCH 1983

	£	£
SOURCE OF FUNDS		
Profit on ordinary activities before taxation		66,624
Adjustments for items not involving the movement of funds:		
Depreciation	17,006	
Profit on sale of fixed assets	(80)	
		16,926
TOTAL GENERATED BY OPERATIONS		83,550
FUNDS FROM OTHER SOURCES		
Proceeds of share issue	100	
Deferred consideration	50,000	
Loan from director	20,598	
Obligations under hire purchase contracts	15,724	
Proceeds from sale of fixed assets	6,045	
Tax balances of subsidiaries acquired	7,900	
		100,367
		183,917
APPLICATIONS OF FUNDS		
Purchase of fixed assets	64,983	
Purchase of publishing rights and titles	141,000	
Goodwill arising on acquisition of subsidiaries	90,700	
Tax paid	5,783	
		302,466
		£ (118,549)

....Continued on page 8

MARK ALLEN HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE PERIOD ENDED 31 MARCH 1988

(CONTINUED)

	£	£
INCREASE/(DECREASE) IN WORKING CAPITAL:		
Stocks		15,229
Debtors		304,107
Creditors		(484,966)
		(165,630)
Movement in net liquid funds:		
Cash at bank and in hand	57,306	
Bank overdraft	(10,225)	
		47,081
		£ (118,549)

Summary of the effects of the acquisition of subsidiaries

Net assets acquired		Discharged by	
Intangible assets	141,000	Cash paid	200
Tangible assets	31,082		
Stock	9,828		
Debtors	250,074		
Cash	23,117		
Creditors	(545,601)		
Goodwill	90,700		
	£ 200		£ 200

The accompanying notes are an integral part of these accounts.

MAX ALLEN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1988

1. PRINCIPAL ACCOUNTING POLICIES

a) ACCOUNTING CONVENTION

The accounts have been prepared under the historical cost convention.

The accounts have been prepared on a going concern basis, which assumes that financial support will be received from the directors of the company.

b) BASIS OF CONSOLIDATION

The consolidated accounts incorporate the accounts of the company and its subsidiaries for the period ended 31 March 1988. The results of the subsidiaries acquired during the period are included in the consolidated profit and loss account from the date of acquisition. Intra-group sales and profits are eliminated on consolidation and all sales and profit figures relate to external transactions only.

c) FIXED ASSETS

Fixed assets are shown at cost. Depreciation is calculated to write off the cost of fixed assets over their expected useful lives at the following rates:

Office machinery and equipment	- 20% straight line
Fixtures and fittings	- 20% straight line
Motor vehicles	- 25% straight line

d) STOCKS

Stocks are valued at the lower of cost and net realisable value.

e) LEASING AND HIRE PURCHASE COMMITMENTS

Assets acquired under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the agreements is charged to the profit and loss account over the period of the contract and represents a constant proportion of the balance of capital repayments outstanding.

f) SUBSCRIPTIONS INCOME

Subscriptions income is accounted for on an accruals basis and is allocated to the periods to which it relates.

g) GOODWILL

Goodwill arising on consolidation, representing the excess of the purchase price over the fair value of net assets acquired is written off against revenue reserves.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

b) INTANGIBLE FIXED ASSETS

Acquired publishing rights and titles which have no finite life are stated at cost less provision for permanent diminution in value.

c) TURNOVER

Turnover represents the invoiced value of goods sold and services provided by the group to third parties, exclusive of value added tax.

2. SEGMENT INFORMATION

Analysis of group turnover and gross profit by activity:	Period ended 31 March 1988 £
Publishing	1,205,369
Conferences	444,210
	£1,649,579
Gross profit before taxation	
Publishing	469,752
Conferences	138,701
	£ 608,453

3. OPERATING EXPENSES

	£
Distribution costs	234,742
Administrative expenses	297,863
	£ 532,605

4. INTEREST PAYABLE

Interest payable on sums wholly repayable within five years	£ 10,013

[illegible]. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION
is stated after charging:

	Period ended 31 March 1988 £
Depreciation	17,006
Auditors' remuneration	6,250

The company has taken advantage of the legal dispensation granted in S228(7) of the Companies Act 1985 allowing it not to present its own profit and loss account. The company did not trade during the period.

6. STAFF COSTS

a) Employee costs during the year amounted to:

	Period ended 31 March 1988 £
Wages and salaries	190,450
Social security costs	17,134
Pensions	50,000
	£ 257,584

b) The average weekly number of persons employed (including executive directors) by the group during the period was as follows:

	Number
Distribution & sales	10
Administration	6
	16

c) Directors remuneration

The employee costs shown above include the following remuneration in respect of the directors of the company:

Emoluments for management services	£ 24,999

6. STAFF COSTS (Continued)

The directors remuneration shown above (excluding pensions and pension contributions) represents:

Chairman & highest paid director	£ 34,999

Other directors received emoluments within the following ranges:

	Number
£Nil - £5,000	2

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Period ended 31 March 1988 £
The charge for the period comprises:	
UK corporation tax on profit on ordinary activities at current rates	22,800
	£ 22,800

The tax charge for the period has been reduced by £27,100 because of group relief.

8. INTANGIBLE FIXED ASSETS

	The Group
Publishing rights and titles at 31 March 1988	£ 141,000

MARK ALLEN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1988

(CONTINUED)

9. TANGIBLE FIXED ASSETS

The Group

	Office machinery & equipment £	Fixtures & fittings £	Leased Motor vehicles £	Total £
Cost				
In respect of new subsidiaries	15,544	823	27,781	44,148
Additions	100	101	33,700	33,901
Disposals	-	-	(7,795)	(7,795)
At 31 March 1988	15,644	924	53,686	70,254
Depreciation				
In respect of new subsidiaries	4,077	104	8,885	13,066
Charge for the period	3,120	174	13,712	17,006
Disposals	-	-	(1,830)	(1,830)
At 31 March 1988	£ 7,197	£ 278	£ 20,767	£ 28,242
Net book value				
At 31 March 1988	£ 8,447	£ 646	£ 32,919	£ 42,012

10. INVESTMENTS

	The Group 1988	The Company 1988
Unlisted		
Subsidiaries at cost	£ -	£ 200

The company (and/or a subsidiary) own 100% of each class of issued shares of the subsidiaries shown below. All of them were incorporated in England and operate mainly in the United Kingdom.

Subsidiary	Principal activity
Mark Allen Publishing Limited	Publication of Medical Journals
Mark Allen Scientific Publishing Limited	Publication of "Science & Business Link up" magazine
Mark Allen International Conferences Limited	Organisation and Promotion of Conferences

11. STOCKS

	The Group 1988	The Company 1988
Paper stocks	£ 15,229	£ Nil

12. DEBTORS

	The Group 1988 £	The Company 1988 £
Trade debtors	276,306	-
Other debtors and prepayments	27,701	-
Called up share capital not paid	100	100
	£ 304,107	£ 100

13. CREDITORS: Amounts falling due within one year

	The Group 1988 £	The Company 1988 £
Bank overdraft	10,225	-
Trade creditors	186,346	-
Corporation tax	24,917	-
Social security and PAYE	44,153	-
Other creditors	35,002	2
Obligations under finance leases and hire purchase contracts	13,336	-
Accruals and deferred income	206,129	-
Amounts owed to subsidiaries	-	198
	£ 520,108	£ 200

Bank overdrafts are secured by a fixed charge on book debts and a floating charge over all the assets of the companies concerned.

14. CREDITORS: Amounts falling due after more than one year

	The Group 1988 £	The Company 1988 £
Directors' loan	20,598	-
Obligations under finance leases and hire purchase contracts	15,724	-
Deferred consideration	50,000	-
	£ 86,322	£ -

15. CALLED UP SHARE CAPITAL

		1988
Authorised:		
1,000 Ordinary shares of £1 each	£	1,000
Allotted and issued:		
100 Ordinary shares of £1 each	£	100
Paid up:		
100 Ordinary shares of £1 each	£	-

100 Ordinary shares of £1 each were allotted and issued at par value on 7 April 1987.

16. PROFIT AND LOSS ACCOUNT

	The Group	The Company
Retained profit for the period	43,824	-
Goodwill arising on consolidation written off	(90,700)	-
At 31 March 1988	£ (46,876)	£ -

17. FINANCIAL COMMITMENTS

a) Capital commitments

The group had no capital commitments at 31 March 1988.

b) Contingent liabilities

1. The company has given an unlimited guarantee to secure the overdrafts of its subsidiaries.

2. The subsidiaries have given an unlimited guarantee to secure their own overdrafts and the overdrafts of fellow subsidiaries.