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COMPANIES HOUSE COPY

MARK ALLEN HOLDINGS LIMITED

REPORT AND ACCOUNTS

31 MARCH 1990



Hacker Young
Chartered Accountants
St. Alphago House, 2 Finsbury Street
London EC2Y 5DH

COMPANIES HOUSE

30 OCT 1990

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AUDITORS' REPORT TO THE MEMBERS OF

MARK ALLEN HOLDINGS LIMITED

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

In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group at 31 March 1990 and of the profit and source and application of funds of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Without qualifying our opinion above, we draw attention to note 1 which refers to the dependence on income received in advance of the provision of the related services as a source of finance.

30 August 1990

Hacker Young
Chartered Accountants

DIRECTORS' REPORT

The directors present their report on the affairs of the group together with the audited accounts for the year ended 31 March 1990.

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 results for the year show a significant improvement over the previous year and the financial position at the year end was dependent upon the receipt of subscriptions and other income in advance. However, the directors expect that the present level of activity will be sustained for the foreseeable future as the group returns to profitable trading.

RESULTS AND DIVIDENDS

The results for the year 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 year and their interests in the share capital of the company were as follows:

	Number of ordinary shares of £1 each	
	<u>At beginning of year</u>	<u>At end of year</u>
M. Allen	76	82
S. Allen	18	18

FIXED ASSETS

Details of changes in tangible fixed assets are shown in note 10 to the accounts.

AUDITORS

A resolution will be proposed at the annual general meeting to re-appoint Hacker Young as auditors until the conclusion of the next annual general meeting.

Registered Office:

Croxted Mews
288 Croxted Road
London, SE24 9DA.

30 August 1990

By order of the board

S. Allen

Secretary

S. Allen

MARK ALLEN HOLDINGS LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1990

2.

	<u>Notes</u>	<u>£</u>	<u>1989</u> <u>£</u>
TURNOVER	2	2,455,893	1,575,338
Cost of sales		1,549,390	980,163
		<hr/>	<hr/>
GROSS PROFIT	2	906,503	595,175
Operating expenses	3	852,126	801,487
		<hr/>	<hr/>
OPERATING PROFIT/(LOSS)		54,377	(206,312)
Interest receivable		2,788	403
Interest payable	4	(10,556)	(9,387)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation	5	46,609	(215,296)
Tax on profit/(loss) on ordinary activities	7	-	24,951
		<hr/>	<hr/>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		46,609	(190,345)
Extraordinary item	8	-	(100,000)
		<hr/>	<hr/>
PROFIT/(LOSS) FOR THE YEAR AFTER TAXATION AND EXTRAORDINARY ITEM	17	£ 46,609 *****	£ (290,345) *****

The accompanying notes are an integral part of these accounts.

MARK ALLEN HOLDINGS LIMITED

3.

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 1990

	<u>Notes</u>	£	£	£	<u>1989</u>	£
FIXED ASSETS						
Intangible assets	9		36,801			41,401
Tangible assets	10		63,275			57,230
			100,076			98,631
CURRENT ASSETS						
Stocks	12	42,529		17,936		
Debtors	13	462,198		586,227		
Cash at bank and in hand		21,963		49,696		
		526,690		653,859		
CREDITORS: Amounts falling due within one year						
	14	865,110		1,013,078		
Net current liabilities			(338,420)			(359,219)
Total assets less current liabilities			(238,344)			(260,588)
CREDITORS: Amounts falling due after more than one year						
	15		52,168			76,533
DEFICIENCY OF ASSETS			£ (290,512)			£ (337,121)
			*****			*****
CAPITAL AND RESERVES						
Called up share capital	16		100			100
Profit and loss account	17		(290,612)			(337,221)
			£ (290,512)			£ (337,121)
			*****			*****

Approved by:

M. ALLEN

S. ALLEN

) DIRECTORS

) Susan Allen

30 August 1990

The accompanying notes are an integral part of these accounts.

MARK ALLEN HOLDINGS LIMITED

4.

COMPANY BALANCE SHEET AS AT 31 MARCH 1990

	<u>Notes</u>	£	£	£	<u>1989</u>	£
FIXED ASSETS						
Investments	11		200			200
			<u>200</u>			<u>200</u>
CURRENT ASSETS						
Debtors	13	100		100		
		<u>100</u>		<u>100</u>		
CREDITORS: Amounts falling due within one year	14	332		330		
NET CURRENT LIABILITIES			(232)			(230)
NET LIABILITIES			£ (32)			£ (30)
CAPITAL AND RESERVES						
Called up share capital	16		200			100
Profit and loss account	17		(132)			(130)
			<u>£ (32)</u>			<u>£ (30)</u>

Approved by:

M. ALLEN

S. ALLEN

Mark Allen

) DIRECTORS

Susan Allen

30 August 1990

The accompanying notes are an integral part of these accounts.

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 31 MARCH 1990

	£	£	£	1989	£
SOURCE OF FUNDS					
Profit/(loss) on ordinary activities before taxation		46,609			(215,296)
Adjustments for items not involving the movement of funds:					
Depreciation	24,754		21,015		
Amortisation	4,600		4,600		
(Profit)/loss on sale of fixed assets	(3,900)		202		
		<u>25,454</u>			<u>25,817</u>
TOTAL GENERATED FROM/(ABSORBED) BY OPERATIONS		72,063			(189,479)
FUNDS FROM OTHER SOURCES					
Loan from director	-		11,850		
Obligations under hire purchase contracts	5,417		3,361		
Proceeds from sale of fixed assets	3,900		3,950		
		<u>9,317</u>			<u>19,161</u>
		81,380			(170,318)
APPLICATIONS OF FUNDS					
Purchase of fixed assets	30,799		40,385		
Purchase of publishing rights and titles	-		5,001		
Tax paid	-		21,864		
Deferred consideration	-		25,000		
		<u>(30,799)</u>			<u>(92,250)</u>
		£ 50,581			£ (262,568)
		*****			*****

MARK ALLEN HOLDINGS LIMITED

6.

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 31 MARCH 1990

(CONTINUED)

	£	£	£ <u>1989</u>	£
INCREASE/(DECREASE) IN WORKING CAPITAL:				
Stocks		24,593		2,707
Debtors		(124,029)		257,569
Creditors		206,092		(525,459)
		<hr/>		<hr/>
		106,656		(265,183)
Movement in net liquid funds:				
Cash at bank and in hand	(27,733)		(7,610)	
Bank overdraft	(28,342)		10,225	
	<hr/>	(56,075)	<hr/>	2,615
		<hr/>		<hr/>
	£ 50,581		£ (262,568)	
	*****		*****	

The accompanying notes are an integral part of these accounts.

NOTES TO THE ACCOUNTS - 31 MARCH 1990

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 as the group has returned to profitable trading since the year end and continues to generate adequate financial resources from the receipt of income in advance of the provision of the related services.

b) BASIS OF CONSOLIDATION

The consolidated accounts incorporate the accounts of the company and its subsidiaries for the year ended 31 March 1990. 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 contracts 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.

NOTES TO THE ACCOUNTS - 31 MARCH 1990

(CONTINUED)

1. PRINCIPAL ACCOUNTING POLICIES (continued)

h) INTANGIBLE FIXED ASSETS

Acquired publishing rights and titles are amortised on a straight line basis over a period of ten years.

i) 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:

	£	<u>1989</u> £
Turnover:		
Publishing	1,673,065	1,384,972
Conferences	782,828	190,366
	<hr/>	<hr/>
	£2,455,893	£1,575,338
	*****	*****
Gross profit:		
Publishing	641,160	543,294
Conferences	265,343	51,881
	<hr/>	<hr/>
	£ 906,503	£ 595,175
	*****	*****

3. OPERATING EXPENSES

	£	£
Distribution costs	373,094	347,203
Administrative expenses	479,032	454,284
	<hr/>	<hr/>
	£ 852,126	£ 801,487
	*****	*****

4. INTEREST PAYABLE

Interest payable on sums wholly repayable within five years	£ 10,556	£ 9,387
	*****	*****

NOTES TO THE ACCOUNTS - 31 MARCH 1990

(CONTINUED)

5. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION
is stated after charging:

	£	<u>1989</u> £
Depreciation	24,754	21,015
Amortisation	4,600	4,600
Auditors' remuneration	6,050	5,050
	*****	*****

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.

6. STAFF COSTS

a) Employee costs during the year amounted to:

	£	<u>1989</u> £
Wages and salaries	352,973	276,763
Social security costs	33,210	28,888
Pensions	<u>90,000</u>	<u>90,000</u>
	£ 476,183	£ 395,651
	*****	*****

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

	<u>Number</u>	<u>Number</u>
Distribution & sales	12	9
Administration	<u>9</u>	<u>15</u>
	21	24
	*****	*****

c) Directors' remuneration

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

	<u>1989</u>
Emoluments for management services	£ 154,000 £ 153,000
	***** *****

NOTES TO THE ACCOUNTS - 31 MARCH 1990

(CONTINUED)

6. STAFF COSTS (Continued)

1989

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

Chairman & highest paid director

£ 52,000	£ 51,000
*****	*****

Other directors received emoluments within the following ranges:

£10,001 - £15,000

<u>Number</u>	<u>Number</u>
1	1

7. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

The (credit)/charge for the period comprises:
UK corporation tax on profit on ordinary activities at current rates
Over provision in prior years

	<u>1989</u>
£	£
-	(12,640)
-	(12,311)
£ -	£ (24,951)
*****	*****

8. EXTRAORDINARY ITEM

Provision for permanent diminution in value of publishing rights and title

£ -	£ 100,000
*****	*****

9. INTANGIBLE FIXED ASSETS

Publishing rights and titles

At 31 March 1989
Amortisation

<u>The Group</u>
£
41,401
(4,600)

At 31 March 1990

£ 36,801

MARK ALLEN HOLDINGS LIMITED

11.

NOTES TO THE ACCOUNTS - 31 MARCH 1990

(CONTINUED)

10. TANGIBLE FIXED ASSETS

The Group	Office machinery & equipment £	Fixtures & fittings £	Leased Motor vehicles £	Total £
Cost				
At 31 March 1989	13,960	11,731	76,370	102,061
Additions	4,724	100	25,975	30,799
Disposals	-	-	(14,991)	(14,991)
At 31 March 1990	18,684	11,831	87,354	117,869
Depreciation				
At 31 March 1989	8,733	1,735	34,363	44,831
Charge for the year	3,432	2,341	18,981	24,754
Disposals	-	-	(14,991)	(14,991)
At 31 March 1990	12,165	4,076	38,353	54,594
Net book value				
At 31 March 1990	£ 6,519	£ 7,755	£ 49,001	£ 63,275
Net book value				
At 31 March 1989	£ 5,227	£ 9,996	£ 42,007	£ 57,230

The net book value of assets held under finance leases at 31 March 1990 was £38,272 (1989 - £38,685).

11. INVESTMENTS

	Company	
	1990	1989
Subsidiaries at cost	£ 200	£ 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 Scientific Magazines
Mark Allen International Conferences Limited	Organisation and Promotion of Conferences

NOTES TO THE ACCOUNTS - 31 MARCH 1990

(CONTINUED)

12. STOCKS

	<u>1990</u>	<u>Group</u>	<u>1989</u>
Paper stocks	£ 42,529	£	17,936
	*****		*****

13. DEBTORS

	<u>1990</u>	<u>Group</u>	<u>1989</u>	<u>1990</u>	<u>Company</u>	<u>1989</u>
	£	£	£	£	£	£
Trade debtors	350,813	370,071	-	-	-	-
Other debtors and prepayments	111,285	216,056	-	-	-	-
Called up share capital not paid	100	100	100	100	100	100
	£ 462,198	£ 586,227	£ 100	£ 100	£ 100	£ 100
	*****	*****	*****	*****	*****	*****

14. CREDITORS: Amounts falling due within one year

	<u>1990</u>	<u>Group</u>	<u>1989</u>	<u>1990</u>	<u>Company</u>	<u>1989</u>
	£	£	£	£	£	£
Bank overdraft (note (a))	28,342	-	2	-	-	-
Trade creditors	309,375	295,721	-	-	-	-
Corporation tax	2,653	2,653	-	-	-	-
Social security and PAYE	66,955	56,155	-	-	-	-
Other creditors	25,002	25,250	2	2	2	2
Obligations under finance leases and hire purchase contracts	20,582	15,800	-	-	-	-
Accruals and deferred income (note (b))	412,201	617,499	-	-	-	-
Amounts owed to subsidiaries	-	-	328	328	328	328
	£ 865,110	£1,013,078	£ 332	£ 330	£ 332	£ 330
	*****	*****	*****	*****	*****	*****

- a) The bank overdraft is secured by a fixed charge on book debts and a floating charge over all the assets of the companies concerned.
- b) Accruals and deferred income includes £345,419 (1989 - £584,564) in respect of income received in advance.

NOTES TO THE ACCOUNTS - 31 MARCH 1990

(CONTINUED)

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

	<u>Group</u>	
	<u>1990</u>	<u>1989</u>
	£	£
Directors' loan	32,448	32,448
Obligations under finance leases and hire purchase contracts	19,720	19,085
Deferred consideration	-	25,000
	<u>£ 52,168</u>	<u>£ 76,533</u>
	*****	*****

16. CALLED UP SHARE CAPITAL

	<u>Group and company</u>	
	<u>1990</u>	<u>1989</u>
Authorised:		
1,000 Ordinary shares of £1 each	£ 1,000	£ 1,000
	*****	*****
Allotted and issued:		
100 Ordinary shares of £1 each	£ 100	£ 100
	*****	*****
Paid up:		
100 Ordinary shares of £1 each	£ -	£ -
	*****	*****

17. PROFIT AND LOSS ACCOUNT

	<u>Group</u>		<u>Company</u>	
	<u>1990</u>	<u>1989</u>	<u>1990</u>	<u>1989</u>
	£	£	£	£
Balance brought forward	(337,221)	(46,876)	(130)	-
Retained profit/(loss) for the year	46,609	(290,345)	(2)	(130)
	<u>£ (290,612)</u>	<u>£ (337,221)</u>	<u>£ (132)</u>	<u>£ (130)</u>
	*****	*****	*****	*****

18. FINANCIAL COMMITMENTS

a) Capital commitments

The group had no capital commitments at 31 March 1990.

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.