

Registered No: 2192760

BRASS TACKS PUBLISHING PORTFOLIO LIMITED

**Report and financial statements
for the year ended 30 April 1998**



BRASS TACKS PUBLISHING PORTFOLIO LIMITED**Report of the directors
for the year ended 30 April 1998**

The directors present their report and the audited financial statements for the year ended 30 April 1998.

Principal activities

The principal activity of the company is the publishing, printing and distribution of magazines.

Significant events

On 11 September 1997, the company changed its name from Brass Tacks Media Services Limited to Brass Tacks Publishing Portfolio Limited.

Directors

The directors of the company at 30 April 1998 were:

Mr W K Conchie
Mr P J Higgins

Mr S J Quirke, who was a director at 30 April 1997, resigned as a director on 9 October 1997.

Directors' interest in shares of the company

The interests of W K Conchie and P J Higgins in the share capital of the parent company are disclosed in that company's financial statements.

Directors' interests in contracts

None of the directors had a material interest in any contract of significance to which the company was a party during the financial year.

Close company provisions

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

BRASS TACKS PUBLISHING PORTFOLIO LIMITED**Directors' responsibilities**

The directors are 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 of the company for that year.

The directors confirm 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 30 April 1998. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

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

Exemptions

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Year 2000

Many computer systems store or process data by the last two digits of the year only, resulting in incorrect or unpredictable treatment of dates after the year 2000 in software applications. The company is reviewing the potential impact of this event on all computer systems which the company, its advisors and suppliers operate.

Auditors

Our auditors, Coopers & Lybrand, merged with Price Waterhouse on 1 July 1998 and a resolution to appoint the new firm, PricewaterhouseCoopers, as auditors to the company will be proposed at the annual general meeting.

BY ORDER OF THE BOARD

Secretary

BRASS TACKS PUBLISHING PORTFOLIO LIMITED**Report of the auditors to the members of
BRASS TACKS PUBLISHING PORTFOLIO LIMITED**

We have audited the financial statements on pages 4 to 8, which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 6 and 7.

Respective responsibilities of directors and auditors

As described on page 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 statements and to report our opinion to you.

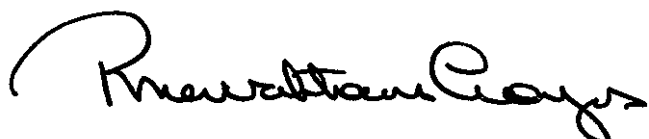
Basis of opinion

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 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 30 April 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors

Swansea, 25 February 1999

BRASS TACKS PUBLISHING PORTFOLIO LIMITED

Profit and loss account for the year ended 30 April 1998

	Notes	1998 £	1997 £
Turnover	2	138,578	-
Cost of sales		(47,644)	-
Gross profit		90,934	-
Net operating expenses	3	(112,269)	-
Loss on ordinary activities before taxation	4	(21,335)	-
Tax on loss on ordinary activities	5	3,867	-
Loss on ordinary activities after tax		(17,468)	-
Dividends		-	(57,406)
(Loss) for the year		(17,468)	(57,406)

There have been no recognised gains or losses in the year other than the loss for the year and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities and the loss for the year stated above and their historical cost equivalents.

The loss on ordinary activities shown above arose entirely from continuing operations.

BRASS TACKS PUBLISHING PORTFOLIO LIMITED

Balance sheet as at 30 April 1998

	Notes	1998	1997 £
Current assets			
Debtors		53,633	100
Cash at bank		5,410	-
		<u>59,043</u>	<u>100</u>
Creditors: amounts falling due within one year		<u>(76,411)</u>	<u>-</u>
Net (liabilities)\assets	6	<u>(17,368)</u>	<u>100</u>
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account		<u>(17,468)</u>	<u>-</u>
Equity shareholders' funds	9	<u>(17,368)</u>	<u>100</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 4 to 8 were approved by the board of directors on 23 February 1999 and were signed on its behalf by



Director

BRASS TACKS PUBLISHING PORTFOLIO LIMITED**Notes to the financial statements
for the year ended 30 April 1998****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 of the company, which have been applied consistently, is set out below:

Basis of accounting

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

Deferred taxation

Provision is made for deferred taxation at the rate of corporation tax expected to be in force when the liability crystallises (the liability method), except in respect of any timing differences which are likely to continue in the foreseeable future.

Turnover

Turnover which excludes value added tax, represents the value of goods and services provided during the year.

Finance and operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements, which transfer to the company substantially all the benefits and risks of ownership of an asset, are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element on the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

BRASS TACKS PUBLISHING PORTFOLIO LIMITED

Stock and work in progress

Stock and work in progress is stated at the lower of cost and net realisable value. Where necessary provision is made for obsolete, slow moving and defective stock.

Cashflow statement

The company qualifies as a small company under the terms of Section 247 of the Companies Act 1985. As a consequence it is exempt from the requirement to publish a cashflow statement.

2 Turnover

Turnover, which relates solely to the principal activity of the company, arose entirely within the United Kingdom.

3 Net operating expenses

Net operating expenses are made up as follows:

	1998 £	1997 £
Distribution costs	24,642	-
Administrative expenses	87,627	-
	<u>112,269</u>	<u>-</u>

4 Loss on ordinary activities before taxation

The loss for the year before taxation is stated after charging:

	1998 £	1997 £
Auditors' remuneration	<u>1,850</u>	<u>1,800</u>

5 Taxation on ordinary activities

	1998 £	1997 £
United Kingdom corporation tax credit at 25% - current year	<u>3,867</u>	<u>-</u>

There is no liability or potential liability for deferred tax.

BRASS TACKS PUBLISHING PORTFOLIO LIMITED**6 Net current (liabilities)\assets**

	1998 £	1997 £
Debtors (due within one year)		
Trade debtors	53,633	-
Amounts owed by parent company	-	100
	<u>53,633</u>	<u>100</u>
Cash at bank and in hand	<u>5,410</u>	<u>-</u>
Creditors: amounts falling due within one year:		
Other creditors	714	-
Amounts due to fellow subsidiary	75,151	-
Taxation and social security	546	-
	<u>76,411</u>	<u>-</u>
Net current (liabilities)\assets	<u><u>(17,368)</u></u>	<u><u>100</u></u>

7 Called up share capital

	1998	1997
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

8 Capital expenditure approved

The directors have neither contracted for nor authorised any capital expenditure which is not provided for in the financial statements.

9 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Opening shareholders' funds	100	57,506
Loss for the financial year	(17,468)	(57,406)
	<u>(17,368)</u>	<u>100</u>

10 Ultimate holding company

The company is a wholly owned subsidiary company of Brass Tacks Publishing Group Limited. Copies of the annual financial statements of the parent company can be obtained from the registered office at 143 Charing Cross Road, London WC2H 0EE.

The directors regard Mr W K Conchie as being the ultimate controlling party by virtue of his control over the majority of the shares in the parent company, Brass Tacks Publishing Group Limited.