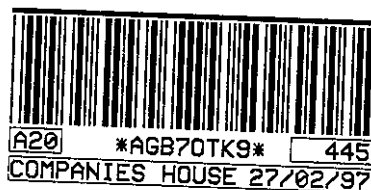


Registered No: 2192760

BRASS TACKS MEDIA SERVICES LIMITED

**Report and financial statements
for the year ended 30 April 1996**



BRASS TACKS MEDIA SERVICES LIMITED**Report of the directors
for the year ended 30 April 1996**

The directors present their report and the audited financial statements for the year ended 30 April 1996.

Principal activities

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

Significant events

On 1 May 1996 the whole of the trading activities and net assets of the company were transferred to the parent company, The Brass Tacks Publishing Company Limited, and the company ceased to trade.

Comparatives

The financial statements are for the year ended 30 April 1996.

Directors

The directors of the company at 30 April 1996 were:

Mr W K Conchie
Mr S J Quirke
Mr P J Higgins

Directors' interest in shares of the company

None of the directors of the company at 30 April 1996 had any interest in the share capital of the company, according to the register required to be kept by Section 325 of the Companies Act 1985.

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.

BRASS TACKS MEDIA SERVICES LIMITED**Report of the directors
for the year ended 30 April 1996 (continued)****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.

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 1996. 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

In preparing the directors report advantage has been taken of the specific exemptions applicable to small companies conferred by Part II of Schedule 8 of the Companies Act 1985.

Auditors

A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

BY ORDER OF THE BOARD

Secretary

BRASS TACKS MEDIA SERVICES LIMITED**Report of the auditors to the members of
BRASS TACKS MEDIA SERVICES LIMITED**

We have audited the financial statements on pages 4 to 10.

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.

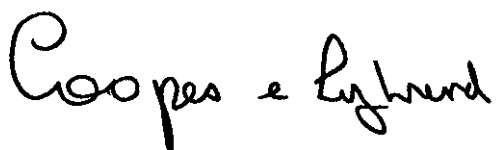
Basis of opinion

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 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, as applicable to small companies.



Chartered Accountants and Registered Auditors
Swansea 6 December 1996

BRASS TACKS MEDIA SERVICES LIMITED

Profit and loss account for the year ended 30 April 1996

	Notes	1996 £	1995 £
Turnover	2	1,470,151	624,048
Cost of sales		(917,971)	(375,505)
Gross profit		552,180	248,543
Net operating expenses	3	(476,824)	(289,237)
Profit\loss on ordinary activities before taxation	4	75,356	(40,694)
Tax (charge)\credit on profit\loss on ordinary activities	5	(20,177)	10,038
Profit\loss on ordinary activities after tax		55,179	(30,656)

Statement of retained profits

	£	£
At 1 May 1995	2,227	32,883
Profit\loss for the year	55,179	(30,656)
At 30 April 1996	57,406	2,227

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

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

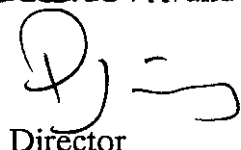
The profit on ordinary activities shown above arose entirely from continuing operations.

BRASS TACKS MEDIA SERVICES LIMITED**Balance sheet as at 30 April 1996**

	Notes	1996 £	1995 £
Current assets			
Stock		76,330	25,193
Debtors		285,735	150,463
Cash at bank		22,619	24,424
		<u>384,684</u>	<u>200,080</u>
Creditors: amounts falling due within one year		<u>(327,178)</u>	<u>(197,753)</u>
Net assets	6	<u>57,506</u>	<u>2,327</u>
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account		57,406	2,227
Equity shareholders' funds	9	<u>57,506</u>	<u>2,327</u>

In the preparation of the annual financial statements advantage has been taken of special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985, because, in the directors' opinion as it meets with the condition, the company is entitled to these exemptions as a small company.

The financial statements on pages 4 to 10 were approved by the board of directors on ~~5 December 1996~~ and were signed on its behalf by



Director

BRASS TACKS MEDIA SERVICES LIMITED**Notes to the financial statements
for the year ended 30 April 1996****Principal accounting policies**

1 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 MEDIA SERVICES LIMITED

Notes to the financial statements for the year ended 30 April 1996 (continued)

Principal accounting policies (continued)

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.

Turnover

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

Net operating expenses

3 Net operating expenses are made up as follows:

	1996 £	1995 £
Distribution costs	135,796	44,084
Administrative expenses	341,028	245,153
	<u>476,824</u>	<u>289,237</u>

BRASS TACKS MEDIA SERVICES LIMITED
**Notes to the financial statements
for the year ended 30 April 1996 (continued)**
Profit on ordinary activities before taxation

4 The profit for the year before taxation is stated after charging:

	1996 £	1995 £
Auditors' remuneration	<u>2,000</u>	<u>1,650</u>

Taxation (charge)\credit on ordinary activities

	1996 £	1995 £
United Kingdom corporation tax (Charge)\credit at 25%	<u>(20,177)</u>	<u>10,038</u>
Taxation (charge)\credit	<u>(20,177)</u>	<u>10,038</u>

There is no liability or potential liability for deferred tax.

BRASS TACKS MEDIA SERVICES LIMITED**Notes to the financial statements
for the year ended 30 April 1996 (continued)****Net current assets**

6	1996 £	1995 £
Current assets		
Stock and work in progress	76,330	25,193
Debtors (due within one year)		
Trade debtors	257,882	140,462
Amounts owed by parent company	27,853	-
Corporation tax recoverable	-	10,001
	285,735	150,463
Cash at bank and in hand	22,619	24,424
Creditors: amounts falling due within one year:		
Trade creditors	158,610	102,586
Amounts received in advance	102,000	33,104
Other creditors	48,749	-
Amounts due to parent company	-	52,420
Amounts due to fellow subsidiary	12,250	-
Taxation and social security	5,569	9,643
	327,178	197,753
Net current assets	57,506	2,327

Called up share capital

7	1996	1995
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100

BRASS TACKS MEDIA SERVICES LIMITED**Notes to the financial statements
for the year ended 30 April 1996 (continued)****Capital expenditure approved**

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

Reconciliation of movements in shareholders' funds

9	1996 £	1995 £
Opening shareholders' funds	2,327	32,983
Profit/(loss) for the financial year	55,179	(30,656)
Closing shareholders' funds	<u>57,506</u>	<u>2,327</u>

Ultimate holding company

10 The directors regard The Brass Tacks Publishing Company Limited, a company registered in England and Wales, as the ultimate holding company. Copies of the annual financial statements of the parent company can be obtained from the registered office at 62-68 Rosebery Avenue, London EC1R 4RR.