

BULLDOG MAGAZINES LIMITED

Company No: 2450400

ACCOUNTS

for the year ended

31ST MARCH 1995

SMITH & WILLIAMSON  
Chartered Accountants  
GUILDFORD



# BULLDOG MAGAZINES LIMITED

## DIRECTORS' REPORT

The directors present their report and the accounts for the year ended 31st March 1995.

### PRINCIPAL ACTIVITY

The principal activity of the company is the publishing of magazines.

### REVIEW OF BUSINESS

The company has continued to expand but this has been achieved through heavy promotional expenditure, notably to increase subscription revenue. The overall result is a profit for 1994/95 and the directors hope further progress will be made in 1995/96.

### RESULTS AND DIVIDENDS

The retained profit for the year amounted to £16,794.

The directors do not recommend payment of a dividend.

### FIXED ASSETS

The movements in fixed assets during the year are set out in notes 6 & 7 to the accounts.

### DIRECTORS

The directors who served during the year and their interests in the share capital of the company at the beginning and end of the year were as follows:

	<u>Ordinary shares</u>	
	<u>1995</u>	<u>1994</u>
P.D.R. Dobson	25,000	25,000
D.M. Kirke-Smith	-	-
M.W.R. Dobson	13,636	13,636

### AUDITORS

The auditors, Smith & Williamson, have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the forthcoming annual general meeting.

Onslow Bridge Chambers  
Bridge Street  
Guildford  
Surrey

30th October 1995

By order of the Board

  
D.M. Kirke-Smith  
Secretary

BULLDOG MAGAZINES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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 of the profit and loss of the company for that period. In preparing these accounts, the directors are required to :

select suitable accounting policies and then apply them consistently;

make adjustments and estimates that are reasonable and prudent;

prepare the accounts on the going concern basis unless it is inappropriate to presume that the company 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 company and to enable them to ensure that the accounts comply with the Companies Act. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF BULLDOG MAGAZINES LIMITED

We have audited the accounts on pages 4 to 12 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

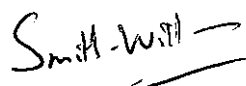
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary, in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the company is entitled for the year ended 31st March 1995 to the exemption conferred by Section 248 of the Companies Act 1985 from the requirement to prepare group accounts.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31st March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

GUILDFORD  
7th November 1995

  
SMITH & WILLIAMSON  
Chartered Accountants  
Registered Auditors

BULLDOG MAGAZINES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 1995

	Notes	1995 £	1994 £
TURNOVER	2	685,300	580,675
Cost of sales		(407,659)	(345,004)
GROSS PROFIT		277,641	235,671
Administrative expenses		(258,630)	(212,179)
Other operating income		-	5,000
OPERATING PROFIT	3	19,011	28,492
Interest receivable		7,683	841
Interest payable		(3,145)	(4,120)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		23,549	25,213
Tax on profit on ordinary activities	5	(6,755)	(7,500)
PROFIT FOR THE FINANCIAL YEAR	14	£ 16,794	£ 17,713

There are no recognised gains or losses other than the profit for the year shown above.

All activities are classed as continuing.

Movements on shareholders funds are given in note 14.

BULLDOG MAGAZINES LIMITED

BALANCE SHEET

31ST MARCH 1995

	Note	£	1995 £	£	1994 £
FIXED ASSETS					
Intangible assets	6	17,500		21,000	
Tangible assets	7	10,112		-	
Investment	8	51,765		51,765	
			79,377		72,765
CURRENT ASSETS					
Debtors	9	54,989		49,604	
Cash at bank		104,817		110,774	
		159,806		160,378	
CREDITORS: amounts falling due within one year	10	(154,798)		(165,552)	
NET CURRENT ASSETS/(LIABILITIES)			5,008		(5,174)
TOTAL ASSETS LESS CURRENT LIABILITIES			84,385		67,591
CREDITORS: amounts falling due after more than one year	11		(5,000)		(5,000)
			£ 79,385		£ 62,591
CAPITAL AND RESERVES					
Called up share capital	12		45,454		45,454
Share premium account	13		9,546		9,546
Profit and loss account	14		24,385		7,591
			£ 79,385		£ 62,591

These accounts were approved by the board of directors on 30th October 1995

..... )  
P.D.R. Dobson )

) Directors  
)  
)

..... )  
D.M. Kirke-Smith )

BULLDOG MAGAZINES LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 1995

1. ACCOUNTING POLICIES

1.1 Accounting convention

The accounts have been prepared under the historical cost convention.

1.2 Depreciation of intangible assets

The company's policy is to write off goodwill evenly over its economic life of 10 years.

1.3 Depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets over their estimated useful economic lives as follows:-

Furniture, fixtures and equipment	20% Straight line
Motor vehicles	25% Straight line

1.4 Deferred taxation

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

1.5 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the profit and loss account.

1.6 Leasing and hire purchase

Assets acquired under finance leases or hire purchase contracts are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Finance charges and interest are taken to the profit and loss account over the period of the lease.

1.7 Consolidated accounts

The company has taken advantage of Section 248 of the Companies Act 1985 not to incorporate its subsidiary The British Connection Inc. into these accounts.

BULLDOG MAGAZINES LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 1995

2. TURNOVER

The company carries on only one class of business and turnover can be geographically analysed as follows:

	1995 £	1994 £
United Kingdom	402,835	364,750
North America and Canada	282,465	215,925
	<u>£ 685,300</u>	<u>£ 580,675</u>

3. OPERATING PROFIT

The operating profit is stated after charging:-

	1995 £	1994 £
Amortisation and depreciation	4,468	3,500
Auditors' remuneration	4,800	2,600
Staff costs (note 4)	70,075	75,082
Operating lease rentals:-		
Motor vehicles	8,756	7,899
	<u>£ 88,099</u>	<u>£ 89,081</u>

4. DIRECTORS AND EMPLOYEES

Staff costs:-

	1995 £	1994 £
Wages and salaries	64,234	68,689
Social security costs	5,841	6,393
	<u>£ 70,075</u>	<u>£ 75,082</u>

The average weekly number of employees during the year was made up as follows:

	Number	Number
Office and management	<u>4</u>	<u>4</u>
	£	£
Directors' emoluments:-		
Fees	<u>£ 800</u>	<u>£ 374</u>



BULLDOG MAGAZINES LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 1995

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

1995	1994
£	£
6,987	7,200
(232)	300
<hr/>	<hr/>
£ 6,755	£ 7,500

6. INTANGIBLE FIXED ASSETS

	Goodwill
	£
Cost:	
At 1st April 1994 and at 31st March 1995	<u>35,000</u>
Amortisation:	
At 1st April 1994	14,000
Charge for year	<u>3,500</u>
At 31st March 1995	<u>17,500</u>
Net book value at 31st March 1995	<u>£ 17,500</u>
Net book value at 1st April 1994	<u>£ 21,000</u>

BULLDOG MAGAZINES LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 1995

7. TANGIBLE FIXED ASSETS

	Furniture, Fixtures and Equipment £	Motor Vehicles £	Total £
Cost:			
Additions and at 31st March 1995	380	10,700	11,080
Depreciation:			
Charge for the year and at 31st March 1995	£ 76	£ 892	£ 968
Net book value:			
At 31st March 1995	£ 304	£ 9,808	£ 10,112
At 1st April 1994	£ -	£ -	£ -

The net book value of motor vehicles includes an amount of £9,808 (1994 : 0 ) in respect of assets held under finance leases and hire purchase contracts.

BULLDOG MAGAZINES LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 1995

8	FIXED ASSET INVESTMENT	1995 £	1994 £
	Shares at cost	<u>£51,765</u>	<u>£51,765</u>

The company owns 100% of the issued share capital of The British Connection Inc., a magazine distribution business operating in North America.

As stated in the accounting policies, group accounts are not prepared by virtue of the exemption conferred by Section 248 of the Companies Act 1985.

The subsidiary company draws up accounts to 31st December in each year in line with normal practice in the United States of America. All profits earned in the subsidiary business are transferred to Bulldog Magazines Limited by way of management charges and are therefore included within these accounts.

9.	DEBTORS	1995 £	1994 £
	Trade debtors	39,236	35,323
	Other debtors	15,229	12,865
	Prepayments and accrued income	524	1,416
		<u>£ 54,989</u>	<u>£ 49,604</u>

BULLDOG MAGAZINES LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 1995

10. CREDITORS: amounts falling due within one year	1995 £	1994 £
Bank loans and overdrafts (secured)	8,045	-
Trade creditors	94,391	135,244
Amounts owed to subsidiary undertaking	7,499	9,532
Corporation tax	6,987	7,200
Other taxes and social security costs	2,563	2,360
Net obligations under finance lease and hire purchase contracts	3,567	-
Other creditors	22,696	-
Accruals and deferred income	9,050	11,216
	<u>£ 154,798</u>	<u>£ 165,552</u>

The company's bankers hold a debenture dated 21st November 1990 in respect of any monies that may be advanced from time to time.

Amounts due under finance leases are secured on the assets to which they relate.

11. CREDITORS: Amounts falling due after more than one year	1995 £	1994 £
Loans wholly repayable within five years	<u>£ 5,000</u>	<u>£ 5,000</u>

12. SHARE CAPITAL	1995 £	1994 £
<u>Authorised</u>		
100,000 Ordinary shares of £1 each	<u>£ 100,000</u>	<u>£ 100,000</u>
<u>Allotted, called up and fully paid</u>		
45,454 Ordinary shares of £1 each	<u>£ 45,454</u>	<u>£ 45,454</u>

BULLDOG MAGAZINES LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 1995

13. SHARE PREMIUM ACCOUNT

	1995 £	1994 £
Balance brought forward and carried forward at 31st March 1995	£ 9,546	£ 9,546

14. PROFIT AND LOSS ACCOUNT

	1995 £	1994 £
Retained profits at 1st April 1994	7,591	(10,122)
Retained profit for the year	16,794	17,713
Retained profits at 31st March 1995	£ 24,385	£ 7,591

There were no movements on shareholders funds other than the profit shown above.

15. COMMITMENTS

The amounts payable in the next year in respect of operating leases are shown below, analysed according to the expiry date of the leases.

	1995 £	1994 £
Expiry date:		
Within one year	3,695	1,256
Between one and five years	-	3,144
	£ 3,695	£ 4,400