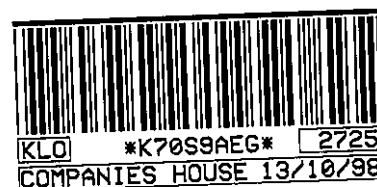




Horse Exchange Limited

Accounts for the year ended 29 March 1998
together with the director's and auditors' reports

Registered number: 2714508



Directors' report

For the year ended 29 March 1998

The director presents his annual report on the affairs of the company, together with the accounts and auditors' report, for the year ended 29 March 1998.

Principal activities and business review

On 14 August 1995 the Horse Exchange title and goodwill of the business was sold for £200,000. At that date, the company ceased to trade.

Results and dividends

Results and dividends are as follows:

	£
Accumulated deficit at beginning of year	(112,342)
Profit for the year after taxation	<u>34</u>
Accumulated deficit at end of year	<u>(112,308)</u>

Proposed dividend and transfer to reserves

The director does not recommend the payment of a dividend.

The profit for the year retained in the company is £34 (1997: loss £4,450).

Directors and their interests

The director who served during the year is shown below:

S Hodgson

The director held no interest in the shares of the company required to be disclosed under Schedule 7 of the Companies Act 1985.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of Arthur Andersen as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Directors' report (continued)

Directors' responsibilities

Company law requires the director 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 or loss of the company for that year. In preparing those accounts, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the accounts comply with the Companies Act 1985. He has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

By order of the board,

209-211 King's Road
Reading
Berkshire
RG1 4LS



K.Astridge
Secretary

26 June 1998

Auditors' report

Reading

To the Shareholders of Horse Exchange Limited:

We have audited the accounts on pages 4 to 9, which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of director and auditors

As described on page 2, the company's director is responsible for the preparation of accounts. 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 accounts. It also includes an assessment of the significant estimates and judgements made by the director 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 accounts give a true and fair view of the state of the company's affairs as at 29 March 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen

Chartered Accountants and Registered Auditor

Abbots House
Abbey Street
Reading
Berkshire
RG1 3BD

26 June 1998

Profit and loss account

For the year ended 29 March 1998

	Note	1998 £	1997 £
Administration income (expenses)		34	(1,680)
Operating profit (loss)		34	(1,680)
Interest payable and similar charges	4	-	(2,770)
Profit/(loss) on ordinary activities before and after taxation being profit/(loss) for the year	2	34	(4,450)
Accumulated losses brought forward		(112,342)	(107,892)
Accumulated losses carried forward		(112,308)	(112,342)

There are no recognised gains or losses in either year other than those shown above.

All of the company's activities relate to discontinued activities for both years.

The accompanying notes are an integral part of this profit and loss account.

Balance sheet

29 March 1998

	Note	1998 £	1997 £
Creditors: Amounts falling due within one year	6	<u>(77,208)</u>	<u>(77,242)</u>
Net current liabilities		<u>(77,208)</u>	<u>(77,242)</u>
Total assets less current liabilities		(77,208)	(77,242)
Creditors: Amounts falling due after more than one year	7	<u>(35,000)</u>	<u>(35,000)</u>
Net liabilities		<u>(112,208)</u>	<u>(112,242)</u>
Capital and reserves			
Called-up share capital	8	100	100
Profit and loss account		<u>(112,308)</u>	<u>(112,342)</u>
Equity shareholders' funds	9	<u>(112,208)</u>	<u>(112,242)</u>

Signed on behalf of the Board



S Hodgson

Director

26 June 1998

The accompanying notes are an integral part of this balance sheet.

Statement of accounting policies

29 March 1998

A summary of the principal accounting policies, all of which have been consistently applied throughout the year and the preceding period, is set out below.

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards

At 29 March 1998 the company had net liabilities of £112,208 (1997: £112,242). The directors are of the opinion that the going concern basis continues to be the appropriate basis for the preparation of the accounts as a fellow group undertaking has confirmed its intention and ability to provide such financial support as may be necessary to enable the company to continue to operate as a going concern and to meet all of its obligations in full for the next twelve months. The company's ultimate parent company has also confirmed that the company will not be required to pay amounts due to other group undertakings unless the company has sufficient funds to pay other creditors in full.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Cash flow statement

Under the provisions of Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement as it is a wholly owned subsidiary of Hurst Publishing Limited, whose accounts include a consolidated cash flow statement.

Related party transactions

Under the provisions of Financial Reporting Standard 8, the company is exempt from the requirement to disclose details of related party transactions as it is a wholly owned subsidiary of Hurst Publishing Limited whose consolidated accounts are publicly available.

Notes to accounts

29 March 1998

1 Turnover

As the company ceased trading in August 1995, there has been no turnover derived from trading activities during the year.

2 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

	1998 £	1997 £
Auditors' remuneration	<u>-</u>	<u>850</u>

3 Staff costs

The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows:

	1998 Number	1997 Number
Administration and management	<u>-</u>	<u>-</u>

Directors' remuneration

Directors' remuneration in the year was £Nil (1997: £Nil)

Notes to accounts (continued)

4 Interest payable and similar charges

	1998 £	1997 £
On other loans wholly repayable within five years	-	2,770

5 Taxation

The corporation tax liability for the year has been reduced to £Nil as a result of group relief for a fellow subsidiary undertaking's losses.

6 Creditors: Amounts falling due within one year

	1998 £	1997 £
Amounts owed to group undertakings	76,958	76,992
Accruals and deferred income	250	250
	<u>77,208</u>	<u>77,242</u>

	1998 £	1997 £
Amounts owed to group undertakings is comprised of:		
Parent company	24,300	24,300
Ultimate parent company	52,658	52,692
	<u>76,958</u>	<u>76,992</u>

Notes to accounts (continued)

7 Creditors: Amounts falling due after more than one year

	1998 £	1997 £
Amounts owed to parent company	<u>35,000</u>	<u>35,000</u>

8 Called up share capital

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

9 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Profit (Loss) for the financial year	34	(4,450)
Opening equity shareholders' funds	<u>(112,242)</u>	<u>(107,792)</u>
Closing equity shareholders' funds	<u>(112,208)</u>	<u>(112,242)</u>

10 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary of Link Magazines Limited, a company registered in England and Wales.

The ultimate holding company is Hurst Publishing Limited, a company registered in England and Wales. The consolidated accounts are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF4 3UZ