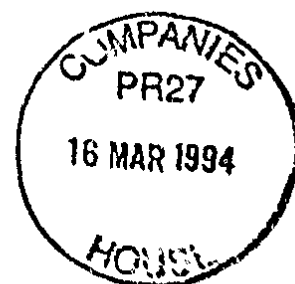


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PORTLAND INVESTMENTS LIMITED
GROUP REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1993



0300494

PORTLAND INVESTMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1993

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PORTLAND INVESTMENTS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

Director

Mr H Northwood

Secretary

Mrs B J Milner

Company Number

2734686 (England)

Auditors

Reed Taylor
1 Tyburn Lane
Harrow
Middlesex HA1 3AG

Bankers

National Westminster Bank Plc
19 Shaftesbury Avenue
London W1A 4QQ

Registered Office

11 Lanark Square
Glengall Bridge
London E14 9RE

PORTLAND INVESTMENTS LIMITED

Director's Report

The director submits his annual report and financial statements for the period ended 30 June 1993

Date of Incorporation and Change of Name

The company was incorporated on 27 July 1992 as Power Radio Investments Limited. On 4 June the company changed its name to Portland Investments Limited.

Activities

Portland Investments Limited is the holding company of a group of companies engaged in publishing.

Results and Dividends

The group trading profit for the period amounted to £1,153,207.

The director does not recommend the payment of a dividend.

Director

The present membership of the board is set out on page 2. The director served throughout the period.

The director did not have an interest in the ordinary shares of the company at the date of incorporation and 30 June 1993.

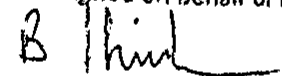
Close Company

It is the opinion of the director that the company is a close company under the provisions of the Income & Corporation Taxes Act 1988.

Auditors

Reed Taylor, Chartered Accountants and Registered Auditor have expressed their willingness to continue in office and offer themselves for re-election in accordance with Section 385 of the Companies Act 1985.

Approved by the Board
and signed on behalf of the Board



Mrs. B.J. Milner
Secretary

Dated 29/11/1993

PORTLAND INVESTMENTS LIMITED

DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial period 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 period. In preparing those financial statements, 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 financial statements;
- prepare the financial statements 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 financial statements comply with the Companies Act 1985. The director is 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.

REPORT OF THE AUDITORS
TO THE MEMBERS OF
PORTLAND INVESTMENTS LIMITED

We have audited the financial statements on pages 6 to 16 which have been prepared under the historical cost convention and the accounting policies on page 12

Respective Responsibilities of Director and Auditors

As described on page 4, the Company's Director is responsible for the preparation of the 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

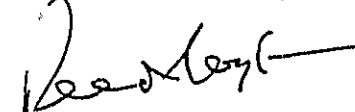
Basis of opinion

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 affairs of the Company as at 30 June 1993 and of the profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



REED TAYLOR
Chartered Accountants and
Registered Auditor

Dated - 24/11/1993

PORTLAND INVESTMENTS LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT

Period ended 30 June 1993

	Note	1993 £
Turnover	2	15 464 440
Cost of sales		<u>9 135 212</u>
GROSS PROFIT		6 329 228
Distribution expenses		930 382
Administration expenses		<u>5 386 539</u>
		6 316 921
OPERATING PROFIT		12 307
Other interest receivable and similar income		1 140 900
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	1 153 207
Tax on profit on ordinary activities	5	<u>28 278</u>
Profit on ordinary activities after taxation transferred to reserves		<u>1 124 929</u>

The whole of the turnover and operating profit is attributable to continuing operations.

There were no other recognised gains and losses made during the period other than the profit for the period.

The notes on pages 12 to 16 form part of these accounts

PORTLAND INVESTMENTS LIMITED

CONSOLIDATED BALANCE SHEET

As at 30 June 1993

	Note	£	1993	£
FIXED ASSETS				
Tangible assets	7			2,888
Intangible assets	8			<u>58,125</u>
				61,013
CURRENT ASSETS				
Stocks	10	436,295		
Debtors	11	1,127,812		
Investments	12	14,333,900		
Bank and cash		35,600		
			15,933,607	
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	13	14,645,647		
NET CURRENT ASSETS				<u>1,287,960</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				<u>1,348,973</u>
CAPITAL AND RESERVES				
Called up share capital	14		224,044	
Profit and loss account			<u>1,124,929</u>	
				1,348,973

Approved by the Director

Mr. H. Northwood

Dated 24.11.93

The notes on pages 12 to 16 form part of these accounts

PORTLAND INVESTMENTS LIMITED

COMPANY BALANCE SHEET

As at 30 June 1993

	Note	£	1993 £
FIXED ASSETS			
Intangible assets	8		54,643
Investments	9		<u>224,046</u>
			278 689
CURRENT ASSETS			
Debtors	11	7	
CREDITORS' AMOUNTS FALLING DUE WITHIN ONE YEAR	13	54,652	
NET CURRENT LIABILITIES			(54,645)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>224,044</u>
CAPITAL			
Called up share capital	14		<u>224,044</u>

Approved by the Director :

Mr. H. Northwood



Dated 24/1/1993

The notes on pages 12 to 16 form part of these accounts .

PORTLAND INVESTMENTS LIMITED
CONSOLIDATED CASH FLOW STATEMENT

Period ended 30 June 1993

	1993 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	302,131
TAXATION	
Corporation tax repaid	7,740
Corporation tax paid	(52,885)
	(45,145)
INVESTING ACTIVITIES	
Purchase of subsidiary (net of overdraft)	(374,443)
Purchase of intangible assets	(10,502)
Payments to acquire intangible fixed assets	(86,156)
Proceeds from sale of fixed assets	2,771
Proceeds from sale of trade marks	5,727
	(462,603)
FINANCING	
Issue of ordinary share capital	224,044
	18,427
INCREASE IN CASH EQUIVALENTS	18,427

The notes on pages 12 to 16 form part of these accounts

PORTLAND INVESTMENTS LIMITED
NOTES TO THE CASH FLOW STATEMENT

Period ended 30 June 1993

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES 1993
£

Operating profit	12 307
Depreciation	7 638
Accrued interest receivable	1,140,900
Increase in stock	(242,014)
Decrease in debtors	1 715,334
Increase in investments	(14,333,900)
Increase in creditors excluding bank overdraft and tax	12,001,866

NET CASH INFLOW FROM OPERATING ACTIVITIES 302,131

2. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS 1993
£

Balance at 27 July 1992	Nil
Net cash inflow	18 427
Balance at 30 June 1993	18 427

3. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET 1993
£ 1992
£

Bank and cash	35,600	Nil
Bank overdrafts	(17,173)	Nil
	18,427	Nil

4. ANALYSIS OF CHANGES IN FINANCING DURING THE PERIOD Share
capital
£

Balance as at 30 June 1993	224,044
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The notes on pages 12 to 16 form part of these accounts

PORTLAND INVESTMENTS LIMITED
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Period ended 30 June 1993

	<u>1993</u> £
PROFIT FOR THE FINANCIAL YEAR	1,124,929
OPENING SHAREHOLDERS' FUNDS	Nil
SHARE CAPITAL ISSUED	224,044
 CLOSING SHAREHOLDERS' FUNDS	 1,348,973

The notes on pages 12 to 16 form part of these accounts .

PORTLAND INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

Period ended 30 June 1993

1 ACCOUNTING POLICIES

(a) Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards .

(b) Foreign Currencies

Transactions in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions . Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date . Translation differences are dealt with in the profit and loss account .

(c) Depreciation

No depreciation is provided on intangible assets , which are wholly comprised of trademarks , as it is considered that their useful lives are not limited .

Depreciation is provided on all tangible assets at the rates calculated to write off cost or revaluation less estimated residual value , of each asset evenly over its expected life as follows

Motor vehicles - over 4 years

(d) Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items

(e) Deferred Taxation

Deferred taxation is only provided where , in the opinion of the director , an asset or liability is expected to crystallise

(f) Turnover

Turnover represents the invoiced amount of goods sold and services provided (stated net of Value Added Tax)

2 TURNOVER

Turnover and profit before tax is attributable to the one principal activity of the company

3 . PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is after charging .

Director's emoluments
Auditors' remuneration
Depreciation

1993
£

5,286
9,750
7,638

PORTLAND INVESTMENTS LIMITED
NOTES TO THE ACCOUNTS (continued)

Period ended 30 June 1993

4 INFORMATION REGARDING DIRECTOR AND EMPLOYEES 1993
£

Director's emoluments 9,286

Employee costs during the period £

Wages and salaries 170,892

Social security costs 16,733

187,725

Average number of people employed No.

Office and management (excluding directors) 14

5 TAX ON PROFIT ON ORDINARY ACTIVITIES 1993
£

UK corporation tax at 33 % based on the profit for the period 35,534

Over provision in previous years (7,256)

28,278

6 . PROFIT OF PARENT COMPANY

As permitted by section 230 of the Companies Act 1985 the profit and loss account of the parent company is not presented as part of these accounts. The parent company's profit for the period amounted to £nil

7 TANGIBLE FIXED ASSETS
THE GROUP

Motor
vehicles
£

COST

At 27 July 1992 30,550

Additions Nil

Disposals (19,000)

At 30 June 1993 11,550

DEPRECIATION

At 27 July 1992 17,253

Charge for the period 7,638

Disposals (16,229)

At 30 June 1993 8,662

NET BOOK VALUE

30 June 1993 2,888

PORTLAND INVESTMENTS LIMITED
 NOTES TO THE ACCOUNTS (continued)

Period ended 30 June 1993

8 INTANGIBLE FIXED ASSETS

Trademarks
£

THE GROUP

COST

At 27 July 1992

Nil

Additions

58,125

Disposals

Nil

At 30 June 1993

58,125

AMORTISATION

At 27 July 1992

Nil

Charge for the period

Nil

Disposals

Nil

At 30 June 1993

Nil

NET BOOK VALUE

30 June 1993

58,125

THE COMPANY

Trademarks
£

COST

At 27 July 1992

Nil

Additions

54,643

Disposals

Nil

At 30 June 1993

54,643

AMORTISATION

At 27 July 1992

Nil

Charge for the period

Nil

Disposals

Nil

At 30 June 1993

Nil

NET BOOK VALUE

30 June 1993

54,643

PORTLAND INVESTMENTS LIMITED
NOTES TO THE ACCOUNTS (continued)

Period ended 30 June 1993

9 FIXED ASSETS INVESTMENTS

The Group 1993	The Company 1993
£	£
Nil	224,046

Additions at cost and balance as at 30 June 1993

The additions during the period represents the ownership of 100% of the £1 ordinary share capital of Big Magazines Limited, Portland Enterprises Limited, Portland Publishing Limited and Power Radio Limited, publishing companies registered in England and Wales

10. STOCKS

The Group 1993	The Company 1993
£	£

Raw materials and consumables

436,295	Nil
---------	-----

11 DEBTORS

The Group 1993	The Company 1993
£	£

Trade debtors

365,992	Nil
---------	-----

Other debtors

594,801	Nil
---------	-----

Prepayments

167,019	7
---------	---

1,127,812	7
-----------	---

12 INVESTMENTS

The Group 1993	The Company 1993
£	£

Unsecured deep discounted loan stock

Issue price

13,193,000	Nil
------------	-----

Provision for interest as at 30 June 1993

1,140,900	Nil
-----------	-----

14,333,900	Nil
------------	-----

Redemption price (redeemable 31 July 1993)

14,450,000	Nil
------------	-----

13 CREDITORS, AMOUNTS FALLING DUE WITHIN ONE YEAR

The Group 1993	The Company 1993
£	£

Bank overdrafts

17,173	5
--------	---

Trade creditors

357,765	Nil
---------	-----

Amounts owed to group company

Nil	54,645
-----	--------

Other creditors

13,900,154	2
------------	---

Corporation tax

38,143	Nil
--------	-----

Other taxation and social security

10,161	Nil
--------	-----

Accruals and deferred income

322,251	Nil
---------	-----

14,645,647	54,652
------------	--------

PORTLAND INVESTMENTS LIMITED
NOTES TO THE ACCOUNTS (continued)

Period ended 30 June 1993

14 SHARE CAPITAL

Ordinary shares £1 each

Authorised

Allotted, called up and fully paid

The Company
1993

£

300,000

224,044

The company was incorporated on 27 July 1992 with an authorised share capital of 1,000 £1 ordinary shares of which 2 were allotted

On 10 December 1992 the authorised share capital was increased to 300,000 £1 ordinary shares. On that same date 154,270 shares were allotted in a share exchange for the acquisition of 100% of the £1 ordinary share capital of Power Radio Limited.

On 10 June 1993 a further 69,772 £1 ordinary shares were allotted in a share exchange for the acquisition of 100% of the £1 ordinary share capital of Big Magazines Limited

15 . ADDITIONAL INFORMATION ON SUBSIDIARIES

Subsidiaries

Portion of
ordinary shares
held

Portland Enterprises Limited
Power Radio Limited
Portland Publishing Limited
Big Magazines Limited
Lady Jane Products Limited
Mainstream Network Limited

100%
100%
100%
100%
100%
100%

All these companies operate and are registered in England and are engaged in publishing

With the exception of companies marked with an *, all shareholdings are in the name of Portland Investments Limited