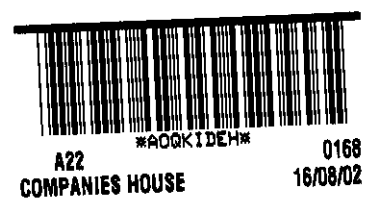


Hurst Italia Limited

Financial statements for the year ended 31 March 2002
together with the directors' and auditors' reports

Registered number: 3172104



Directors' report

For the year ended 31 March 2002

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report, for the year ended 31 March 2002.

Principal activity and business review

The company's principal activity is that of a holding company.

Results and dividends

The directors proposed and paid an interim dividend of £934,743 during the year (2001:nil).

Directors and their interests

The directors who held office during the year were as follows:

G Luff

B G Muirhead (appointed 2 February 2002)

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

The interests of the directors in the shares of the ultimate parent company are shown in the directors' report of that company.

Unit 6
Thatcham Business Village
Colthrop Lane
Thatcham
Berkshire
RG19 4LW

By order of the Board,

A handwritten signature in black ink, appearing to be 'B G Muirhead', written over a large, loopy, circular flourish.

B G Muirhead
Director

25 June 2002

Statement of directors' responsibilities

31 March 2002

Company law requires the directors to prepare financial statements 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 period. In preparing those financial statements, the directors are 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; and
- prepare the financial statements 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 enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Independent auditor's report

To the shareholder of Hurst Italia Limited:

We have audited the financial statements of Hurst Italia Limited for the year ended 31 March 2002 which comprise the profit and loss account, the balance sheet and the related notes numbered 1 to 7. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the statement of directors' responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 circumstances of the company, 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 at 31 March 2002 and of the company's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants and Registered Auditors

Abbots House
Abbey Street
Reading
Berkshire
RG1 3BD

25 June 2002

Profit and loss account

For the year ended 31 March 2002

	2002 £	2001 £
Dividends received	934,743	663,817
Profit on ordinary activities before and after taxation	934,743	663,817
Dividends paid - interim dividend of £934,743 per ordinary share	(934,743)	-
Retained profit for the year	-	663,817

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

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

All results arise from continuing activities.

Balance sheet

31 March 2002

	Note	2002 £	2001 £
Fixed assets			
Investments	1	<u>6,266,902</u>	<u>6,266,902</u>
Current assets			
Debtors	2	112,363	8,231
Creditors: Amounts falling due within one year	3	<u>(736,127)</u>	<u>-</u>
Net current (liabilities) assets		<u>(623,764)</u>	<u>8,231</u>
Total assets less current liabilities		5,643,138	6,275,133
Creditors: Amounts falling due after more than one year	4	<u>(3,470,176)</u>	<u>(4,102,171)</u>
Net assets		<u>2,172,962</u>	<u>2,172,962</u>
Capital and reserves			
Called-up share capital	5	1	1
Profit and loss account		<u>2,172,961</u>	<u>2,172,961</u>
Equity shareholder's funds	6	<u>2,172,962</u>	<u>2,172,962</u>

Signed on behalf of the Board on 25 June 2002



B G Muirhead
Director

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

Statement of accounting policies

31 March 2002

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year with the exception of the policy on deferred taxation, which has been changed to comply with Financial Reporting Standard No. 19. No prior year adjustment was required in relation to this change.

Basis of accounting

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

The company is exempt by virtue of S228 of the Companies Act 1985 from the requirement to prepare group financial statements. Group financial statements are prepared by Trader Media Group Limited, the ultimate holding company, (note 7).

Related party transactions

Under the provisions of Financial Reporting Standard 8, the company is exempt from the requirement to disclose details of certain related party transactions as it is a wholly owned subsidiary of Trader Group Limited whose consolidated financial statements are available to the public.

Cash flow statement

The company has taken advantage of the exemption under Financial Reporting Statement 1 (Revised), from the requirement to produce a cash flow statement as it is a wholly owned subsidiary of Trader Media Group Limited, whose financial statements include a cashflow statement and are publicly available.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Notes to financial statements

31 March 2002

1 Fixed asset investments

	£
Cost at beginning and end of year	<u>6,266,902</u>

The companies in which the company has an interest are as follows:

	Country of incorporation	Principal activity	Holding	%
Edizeta Srl	Italy	Publisher	Ordinary shares	100
Hurst Italia Srl	Italy	Publisher	Ordinary shares	50

2 Debtors

	2002 £	2001 £
Amounts falling due within one year:		
Amounts due from associated undertakings	104,132	-
Prepayments and other debtors	<u>8,231</u>	<u>8,231</u>
	<u>112,363</u>	<u>8,231</u>

3 Creditors: Amounts falling due within one year

	2002 £	2001 £
Amounts owed to group undertakings	<u>736,127</u>	<u>-</u>

4 Creditors: Amounts falling due after more than one year

	2002 £	2001 £
Amounts owed to group undertakings	<u>3,470,176</u>	<u>4,102,171</u>

5 Called-up share capital

	2002 £	2001 £
<i>Authorised, allotted, called-up and fully paid</i>		
1 ordinary share of £1	<u>1</u>	<u>1</u>

Notes to financial statements (continued)

6 Reconciliation of movement in equity shareholder's funds

	2002 £	2001 £
Retained profit for the financial year	-	663,817
Opening equity shareholder's funds	2,172,962	1,509,145
Closing equity shareholder's funds	<u>2,172,962</u>	<u>2,172,962</u>

7 Ultimate parent company

The company's immediate parent company is Trader Publishing Limited, which is incorporated in Great Britain and registered in England and Wales. The company's ultimate parent company is Trader Media Group Limited, which is incorporated in Great Britain and registered in England and Wales.

The smallest group in which the results of this company are consolidated is that headed by Trader Publishing Limited. The largest group in which the results of the company are consolidated is that headed by the ultimate parent company. The consolidated financial statements of this group are available to the public and will be filed with the registrar of companies.