

Company Registration No. 3729720 (England and Wales)

**FMD LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 2004**

**FELTON & CO  
CHARTERED ACCOUNTANTS  
Birmingham**

A member firm  
of the UK200 Group



# FMD LIMITED

## COMPANY INFORMATION

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**Directors**

A Smith  
I M Callaghan  
R D Piper  
S G O Thomas (Appointed 12 January 2004)

**Secretary**

D D McIntosh

**Company number**

3729720

**Registered office**

34 Ely Place  
London  
EC1N 6TD

**Auditors**

Felton & Co.  
36 Great Charles Street  
Birmingham  
B3 3RQ

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# **FMD LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2004**

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The directors present their report and financial statements for the year ended 30 April 2004.

### **Principal activities and review of the business**

The principal activity of the company is to act as a holding company for a company engaged in the distribution of magazines and periodicals.

The results for the year and the financial position at the year end were considered satisfactory by the directors.

### **Results and dividends**

The results for the year are set out on page 4.

The directors do not propose payment of an ordinary dividend.

### **Future developments**

The directors consider that the company will continue to act as a holding company for the foreseeable future.

### **Directors**

The following directors have held office since 1 May 2003:

A Smith

I M Callaghan

R D Piper

S G O Thomas (Appointed 12 January 2004)

J R Brown resigned as a director on the 30 September 2003.

### **Directors' interests**

No directors had a beneficial interest in the shares of the company at 30 April 2004 and 1 May 2003.

### **Auditors**

The company has elected to dispense with the annual appointment of auditors. In the absence of a specific resolution to the contrary Felton & Co. will continue in office.

# FMD LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2004

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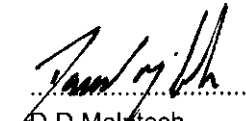
### Directors' responsibilities

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;
- 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 to 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.

By order of the board

  
.....  
D D McIntosh  
Secretary  
9/9/04

# FMD LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FMD LIMITED

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We have audited the financial statements of FMD Limited on pages 4 to 11 for the year ended 30 April 2004. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 audit 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 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 as at 30 April 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Felton & Co.

*Felton & Co.*

*9.11.2004*

Chartered Accountants

Registered Auditor

36 Great Charles Street  
Birmingham  
B3 3RQ

# FMD LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2004

	Notes	2004 £	2003 £
Administrative expenses		-	(2,056)
<b>Operating loss</b>	<b>2</b>	-	(2,056)
Investment income	<b>3</b>	592,739	849,997
<b>Profit on ordinary activities before taxation</b>		592,739	847,941
Tax on profit on ordinary activities	<b>4</b>	-	-
<b>Profit on ordinary activities after taxation</b>	<b>9</b>	592,739	847,941

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# FMD LIMITED

## BALANCE SHEET AS AT 30 APRIL 2004

	Notes	2004 £	£	2003 £	£
<b>Fixed assets</b>					
Investments	5	2,478,168		2,478,168	
<b>Current assets</b>					
Debtors	6	300,000		611,080	
<b>Creditors: amounts falling due within one year</b>	7	<u>(1,102,838)</u>		<u>(2,006,657)</u>	
<b>Net current liabilities</b>			<u>(802,838)</u>		<u>(1,395,577)</u>
<b>Total assets less current liabilities</b>			<u>1,675,330</u>		<u>1,082,591</u>
<b>Capital and reserves</b>					
Called up share capital	8		100		100
Profit and loss account	9		<u>1,675,230</u>		<u>1,082,491</u>
<b>Shareholders' funds - equity interests</b>	10		<u>1,675,330</u>		<u>1,082,591</u>

The financial statements were approved by the Board on 9/9/04

  
A Smith  
Director

# FMD LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2004

	2004		2003	
	£	£	£	£
<b>Net cash inflow/(outflow) from operating activities</b>		307,261		(350,003)
<b>Returns on investments and servicing of finance</b>				
Dividends received	592,739		849,997	
	<u>592,739</u>		<u>849,997</u>	
<b>Net cash inflow for returns on investments and servicing of finance</b>		592,739		849,997
		<u>900,000</u>		<u>499,994</u>
<b>Net cash inflow before management of liquid resources and financing</b>		900,000		499,994
<b>Financing</b>				
Repayment of other short term loans	(900,000)		(499,994)	
	<u>(900,000)</u>		<u>(499,994)</u>	
<b>Net cash outflow from financing</b>		(900,000)		(499,994)
<b>Decrease in cash in the year</b>		<u>-</u>		<u>-</u>



# FMD LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2004

1	Reconciliation of operating loss to net cash inflow/(outflow) from operating activities	2004 £	2003 £
	Operating loss	-	(2,056)
	Decrease/(increase) in debtors	311,080	(350,003)
	(Decrease)/Increase in creditors within one year	(3,819)	2,056
	<b>Net cash inflow/(outflow) from operating activities</b>	<u>307,261</u>	<u>(350,003)</u>

2	Analysis of net debt	1 May 2003 £	Cash flow £	Other non-cash changes £	30 April 2004 £
	Debt:				
	Debts falling due within one year	(1,999,103)	900,000	-	(1,099,103)
	<b>Net debt</b>	<u>(1,999,103)</u>	<u>900,000</u>	<u>-</u>	<u>(1,099,103)</u>

3	Reconciliation of net cash flow to movement in net debt	2004 £	2003 £
	Decrease in cash in the year	-	-
	Cash outflow from decrease in debt	900,000	499,994
	<b>Movement in net debt in the year</b>	<u>900,000</u>	<u>499,994</u>
	Opening net debt	(1,999,103)	(2,499,097)
	<b>Closing net debt</b>	<u>(1,099,103)</u>	<u>(1,999,103)</u>

# FMD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2004

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 1.2 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 1.3 Consolidation

The company has taken advantage of the exemption granted under Section 248 of the Companies Act 1985 not to prepare group accounts as the company qualifies as a medium group.

### 2 Operating loss

	2004	2003
	£	£
Operating loss is stated after charging:		
Auditors' remuneration	-	2,056
	<u>          </u>	<u>          </u>

### 3 Investment income

	2004	2003
	£	£
Income from shares in group undertakings	592,739	849,997
	<u>          </u>	<u>          </u>

### 4 Taxation

The company has no liability for taxation.

# FMD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2004

### 5 Fixed asset investments

	Shares in subsidiary undertakings £
<b>Cost</b>	
At 1 May 2003 & at 30 April 2004	2,478,168

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
<b>Subsidiary undertakings</b>			
Worldwide Magazine Distribution Limited	UK	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves 2004 £	Profit for the year 2004 £
Worldwide Magazine Distribution Limited	150,202	456,498

The above company is engaged in the distribution of magazines and periodicals.

6 Debtors	2004 £	2003 £
Amounts owed by subsidiary undertakings	300,000	611,080

# FMD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2004

7	Creditors: amounts falling due within one year	2004 £	2003 £
	Amounts owed to other group undertakings	3,735	3,735
	Other creditors	1,099,103	1,999,103
	Accruals and deferred income	-	3,819
		<u>1,102,838</u>	<u>2,006,657</u>
	Debt due in one year or less	<u>1,099,103</u>	<u>1,999,103</u>

Included in other creditors are loan notes of £1,099,103 (2003: £1,999,103). These loan notes are unsecured, interest free and are repayable at the discretion of the noteholders at any date up to 31 December 2005.

8	Share capital	2004 £	2003 £
	<b>Authorised</b>		
	100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
	<b>Allotted, called up and fully paid</b>		
	100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

The share capital consists of 30 class A shares, 30 class B shares, 30 class C shares and 10 class D shares.

9	Statement of movements on profit and loss account	Profit and loss account £
	Balance at 1 May 2003	1,082,491
	Retained profit for the year	<u>592,739</u>
	Balance at 30 April 2004	<u>1,675,230</u>

10	Reconciliation of movements in shareholders' funds	2004 £	2003 £
	Profit for the financial year	592,739	847,941
	Opening shareholders' funds	<u>1,082,591</u>	<u>234,650</u>
	Closing shareholders' funds	<u>1,675,330</u>	<u>1,082,591</u>

# **FMD LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2004**

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### **11 Employees**

#### **Number of employees**

There were no employees during the year apart from the directors.

### **12 Control**

The company is controlled by Surridge Dawson Limited, Menzies Distribution Limited, W H Smith Limited and INdvest Limited.

### **13 Related party transactions**

Mr I Callaghan, a director of this company, is a director of Menzies Distribution Limited and Mr J Brown, who was a director of this company until 30 September 2003, was a director of Surridge Dawson Limited.

Messrs Callaghan, Piper, Smith and Thomas, directors of this company, are directors of Worldwide Magazine Distribution Limited, the company's wholly-owned subsidiary.

Included in creditors falling due within one year is £3,735 (2003: £3,735) due to Focus Magazine Distribution, a partnership formed by Surridge Dawson Limited, Menzies Distribution Limited and W H Smith Limited.

Included in creditors falling due within one year is £1,099,103 (2003: £1,999,097) interest free, unsecured loan notes issued to the shareholders INdvest Limited, Surridge Dawson Limited, Menzies Distribution Limited and W H Smith Limited. These loan notes are repayable at the discretion of the noteholders at any date up to 31 December 2005.