

COMPANY REGISTRATION NUMBER 04219197

EAGLEMOSS CONSUMER PUBLICATIONS LIMITED
FINANCIAL STATEMENTS
FOR
30 SEPTEMBER 2004

ARNOLD HILL & CO

Chartered Accountants & Registered Auditors
Craven House
16 Northumberland Avenue
London
WC2N 5AP



EAGLEMOSS CONSUMER PUBLICATIONS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 SEPTEMBER 2004

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 September 2004.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was publishing diaries and cookbooks.

The directors are pleased with the results of the company for the period as set out on page 5.

DIRECTORS

The directors who served the company during the year were as follows:

D M Stanley
S R Rose

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

None of the directors held an interest in the share capital of the company at any time during the year. The interests of the directors in the share capital of the holding company, Eaglemoss Publishing Group Limited are disclosed in that company's financial statements.

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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

A resolution to re-appoint Arnold Hill & Co as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

EAGLEMOSS CONSUMER PUBLICATIONS LIMITED

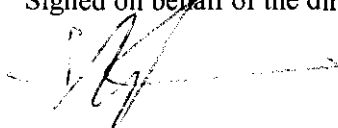
THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 SEPTEMBER 2004

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed on behalf of the directors



Mr S P Rose
Director

Approved by the directors on 13/5/05

EAGLEMOSS CONSUMER PUBLICATIONS LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF
EAGLEMOSS CONSUMER PUBLICATIONS LIMITED
YEAR ENDED 30 SEPTEMBER 2004

We have audited the financial statements of Eaglemoss Consumer Publications Limited for the year ended 30 September 2004 on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

This report is made solely to the company's shareholder, 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 shareholder those matters we are required to state to them in an auditors' 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities 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.

EAGLEMOSS CONSUMER PUBLICATIONS LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF
EAGLEMOSS CONSUMER PUBLICATIONS LIMITED *(continued)*
YEAR ENDED 30 SEPTEMBER 2004

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30th September 2004 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



ARNOLD HILL & CO
Chartered Accountants
& Registered Auditors

Craven House
16 Northumberland Avenue
London
WC2N 5AP

16 May 2005

EAGLEMOSS CONSUMER PUBLICATIONS LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 30 SEPTEMBER 2004**

	Note	2004 £	2003 £
TURNOVER		1,662,333	1,899,670
Cost of sales		<u>691,058</u>	<u>728,361</u>
GROSS PROFIT		971,275	1,171,309
Distribution costs		<u>124,151</u>	<u>100,776</u>
Administrative expenses		<u>517,029</u>	<u>636,447</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		330,095	434,086
Tax on profit on ordinary activities	3	149,235	4,750
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		180,860	429,336
Equity dividends proposed		—	380,000
RETAINED PROFIT FOR THE FINANCIAL YEAR		180,860	49,336
Balance brought forward		<u>124,621</u>	<u>75,284</u>
Balance carried forward		<u>305,481</u>	<u>124,620</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

EAGLEMOSS CONSUMER PUBLICATIONS LIMITED

BALANCE SHEET

30 SEPTEMBER 2004

	Note	2004 £	2003 £
FIXED ASSETS			
Intangible assets	4	264,402	431,393
Tangible assets	5	940	1,345
		<u>265,342</u>	<u>432,738</u>
CURRENT ASSETS			
Stocks		83,782	28,126
Debtors	6	2,128,396	1,893,400
		<u>2,212,178</u>	<u>1,921,526</u>
CREDITORS: Amounts falling due within one year	7	<u>2,171,939</u>	<u>2,229,544</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>40,239</u>	<u>(308,018)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>305,581</u>	<u>124,720</u>
CAPITAL AND RESERVES			
Called-up equity share capital	9	100	100
Profit and loss account		<u>305,481</u>	<u>124,620</u>
SHAREHOLDER'S FUNDS	10	<u>305,581</u>	<u>124,720</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 13/10/04 and are signed on their behalf by:



D M STANLEY
Director

EAGLEMOSS CONSUMER PUBLICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2004

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

All applicable accounting standards have been complied with.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - 20% per annum straight line

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings - 10 years straight line

Equipment - 5 years straight line

Stocks

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

2. OPERATING PROFIT

Operating profit is stated after charging:

	2004 £	2003 £
Directors' emoluments	—	—
Amortisation	166,992	166,991
Depreciation of owned fixed assets	405	405
Auditors' fees	3,000	3,000

EAGLEMOSS CONSUMER PUBLICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2004

3. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2004 £	2003 £
Current tax:		
UK Corporation tax based on the results for the year	149,235	4,750
Total current tax	<u>149,235</u>	<u>4,750</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2003 - 30%).

	2004 £	2003 £
Profit on ordinary activities before taxation	<u>330,095</u>	<u>434,086</u>
Profit/(loss) on ordinary activities by rate of tax	99,029	130,226
Disallowable expenses	50,215	50,097
Capital allowances for the year in excess of depreciation	(9)	(44)
Utilisation of group losses	–	(175,529)
Total current tax (note 3(a))	<u>149,235</u>	<u>4,750</u>

4. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 October 2003 and 30 September 2004	<u>834,954</u>
AMORTISATION	
At 1 October 2003	403,561
Charge for the year	166,991
At 30 September 2004	<u>570,552</u>
NET BOOK VALUE	
At 30 September 2004	<u>264,402</u>
At 30 September 2003	<u>431,393</u>

EAGLEMOSS CONSUMER PUBLICATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2004

5. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Equipment £	Total £
COST			
At 1 October 2003 and 30 September 2004	<u>370</u>	<u>1,839</u>	<u>2,209</u>
DEPRECIATION			
At 1 October 2003	67	797	864
Charge for the year	<u>37</u>	<u>368</u>	<u>405</u>
At 30 September 2004	<u>104</u>	<u>1,165</u>	<u>1,269</u>
NET BOOK VALUE			
At 30 September 2004	<u>266</u>	<u>674</u>	<u>940</u>
At 30 September 2003	<u>303</u>	<u>1,042</u>	<u>1,345</u>

6. DEBTORS

	2004 £	2003 £
Trade debtors	1,570,202	1,893,400
Amounts owed by group undertakings	<u>558,194</u>	<u>—</u>
	<u>2,128,396</u>	<u>1,893,400</u>

7. CREDITORS: Amounts falling due within one year

	2004 £	2003 £
Bank loans and overdrafts	82,859	212,396
Trade creditors	150,042	132,504
Amounts owed to group undertakings	1,288,813	1,670,159
Corporation tax	149,235	4,750
Other taxation	213,718	206,735
Other creditors	<u>287,272</u>	<u>3,000</u>
	<u>2,171,939</u>	<u>2,229,544</u>

8. RELATED PARTY TRANSACTIONS

The company is controlled by its parent company, Eaglemoss Publishing Group Limited.

Transactions between Eaglemoss Consumer Publications Limited and its fellow group companies are exempt from the disclosure by virtue of being included in the parent company, Eaglemoss Publishing Group Limited, consolidated accounts.

EAGLEMOSS CONSUMER PUBLICATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2004

9. SHARE CAPITAL**Authorised share capital:**

	2004	2003
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2004	2003
	£	£
Profit for the financial year	180,860	429,336
Dividends	—	(380,000)
	<u>180,860</u>	<u>49,336</u>
Opening shareholder's equity funds	124,721	75,384
Closing shareholder's equity funds	<u>305,581</u>	<u>124,720</u>

11. ULTIMATE PARENT COMPANY

The Ultimate Parent Company is Eaglemoss Publishing Group Limited, a company incorporated in England and Wales. Copies of the accounts of the ultimate holding company can be obtained from Companies House, Cardiff.