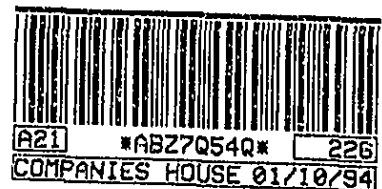


**Mary Glasgow Publications
Limited**

Directors' report and financial statements

31 December 1993

Registered number 576382



Mary Glasgow Publications Limited

Directors' report and financial statements

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Mary Glasgow Publications Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1993.

Principal activities

The principal activity of the company is property investment.

Statement of 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 maintaining 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.

Business review and future developments

The company's trade, assets and liabilities were transferred to Stanley Thornes (Publishers) Limited, a subsidiary of Wolters Kluwer (UK) plc on 1 January 1993.

Dividend

The directors do not recommend the payment of a dividend (1992: £Nil).

Fixed assets

The movements in fixed assets during the year are summarised in note 9 to the accounts.

Directors

The directors serving during the year were:

JP Dubois (chairman)
DJ Smith
WD Antrobus (resigned 31 October 1993)
C Blake (resigned 30 April 1993)

Mary Glasgow Publications Limited

Directors' report *(continued)*

Directors' interests

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company or other group companies.

According to the register of directors' interests no rights to subscribe for shares in the company were granted to any of the directors; or their immediate families or exercised by them, during the financial year.

Auditors

Pursuant to a shareholders' resolution, the company is not obliged to re-appoint its auditors annually and KPMG Peat Marwick will therefore continue in office.

Approved by the Board and signed on its behalf by


NJ Ziman
Secretary

136-142 Bramley Road
London
W10 6SR

31st August 1994

PO Box 486
1 Puddle Dock
Blackfriars
London EC4V 3PD

Auditors' report to the members of Mary Glasgow Publications Limited

We have audited the financial statements on pages 4 to 13.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of 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 the company's affairs as at 31 December 1993 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick

Chartered Accountants
Registered Auditors

21st September 1994

Mary Glasgow Publications Limited

Profit and loss account for the year ended 31 December 1993

	Note	1993		1992	
		£'000	£'000	£'000	£'000
Turnover	2				
Continuing operations		144		144	
Discontinued operations		-		5,067	
		<u>144</u>		<u>5,211</u>	
Cost of sales	3		144		5,211
			-		(2,980)
			<u>144</u>		<u>2,231</u>
Gross profit	3		144		2,231
Distribution costs	3		-		(1,736)
Administrative expenses	3		(165)		(1,076)
			<u>(165)</u>		<u>(2,812)</u>
Operating loss	3				
Continuing operations		(21)		9	
Discontinued operations		-		(590)	
		<u>(21)</u>		<u>(581)</u>	
Provision for loss on operations to be discontinued	8		(21)		(581)
Interest payable and similar charges	4		-		(1,005)
			<u>-</u>		<u>(1,005)</u>
Loss on ordinary activities before taxation	2-5		(21)		(1,771)
Tax on loss on ordinary activities	9		(3)		356
			<u>(3)</u>		<u>356</u>
Loss on ordinary activities after taxation, being retained loss for the financial year			(24)		(1,415)
Losses brought forward			(2,531)		(1,116)
			<u>(2,531)</u>		<u>(1,116)</u>
Losses carried forward			(2,555)		(2,531)
			<u>(2,555)</u>		<u>(2,531)</u>

There were no recognised gains or losses other than those included in the profit and loss account.

Mary Glasgow Publications Limited

Balance sheet at 31 December 1993

	Note	1993 £'000	1992 £'000
Fixed assets			
Tangible fixed assets	10	-	327
Current assets			
Stocks	11	-	826
Debtors	12	87	1,781
Cash at bank and in hand		-	2
		<u>87</u>	<u>2,609</u>
Creditors: amounts falling due within one year	13	<u>(2,602)</u>	<u>(4,910)</u>
Net current liabilities		<u>(2,515)</u>	<u>(2,301)</u>
Total assets less current liabilities		<u>(2,515)</u>	<u>(1,974)</u>
Provisions for liabilities and charges	14	<u>(30)</u>	<u>(547)</u>
		<u>(2,545)</u>	<u>(2,521)</u>
Capital and reserves			
Called up share capital	16	10	10
Profit and loss account		<u>(2,555)</u>	<u>(2,531)</u>
		<u>(2,545)</u>	<u>(2,521)</u>

These financial statements were approved by the board of directors on 31 August 1994 and were signed on its behalf by:

JP Dubois
Director

Mary Glasgow Publications Limited

Notes

(forming part of the financial statements)

1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

Basis of accounting

The accounts have been prepared under the historical cost accounting rules and in accordance with Applicable Accounting Standards.

Cash flow statement

The company is exempt from the requirements of FRS1 to prepare a cash flow statement because it is a wholly owned subsidiary undertaking of a parent undertaking which is established under the law of a member state of the European Community.

Depreciation

Depreciation is provided to write off the cost of tangible fixed assets over their estimated useful lives as follows:

Computer and warehouse equipment	-	20% straight line basis
Motor vehicles	-	25% straight line basis
Furniture and equipment	-	20% reducing balance basis

Stocks

Except for advertising materials and sundry stores which are stated at cost, stocks are stated at the lower of cost or net realisable value on a unit cost basis consistent with that used in previous years. Expenditure on forthcoming magazines and courses includes materials, printing and labour costs, plus a percentage thereon in respect of overheads.

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction. Balances denominated in a foreign currency are translated into sterling at the exchange rates ruling at the balance sheet date.

Deferred taxation

Deferred taxation is provided using the liability method in respect of the taxation effect of timing differences to the extent that these are expected to result in tax liabilities becoming payable in the foreseeable future.

Deferred income

The relevant proportion of subscription income arising from the sales of magazines is credited to the profit and loss account in the months in which the issues are despatched. Subscription income that relates to issues not despatched at the balance sheet date is carried forward as deferred income together with the relevant production and promotional costs.

Mary Glasgow Publications Limited

Notes (continued)

1 Principal accounting policies (continued)

Leases and hire purchase contracts

Assets financed under hire purchase contracts or by finance leases are treated as if they had been purchased outright and an amount equivalent to the cost of such assets is included under tangible fixed assets and depreciated in accordance with the company's normal rates. Lease payments are treated as consisting of capital and interest elements and the interest is charged to the profit and loss account using the straight line method.

Expenditure on operating leases is charged to the profit and loss account as it is incurred.

Pensions

The company contributes to a group pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company.

2 Turnover

Turnover represents amounts invoiced to external customers exclusive of value added tax.

The analysis of turnover by geographical area is as follows:

	1993 £'000	1992 £'000
United Kingdom	144	2,764
Europe	-	1,891
Other areas	-	556
	<hr/> 144	<hr/> 5,211

Turnover in 1993 relates to rents receivable from property (1992:£144,000).

Mary Glasgow Publications Limited

Notes (continued)

3 Analysis of continuing and discontinued operations

	1993			1992		
	Continuing	Dis-continued	Total	Continuing	Dis-continued	Total
	£000	£000	£000	£000	£000	£000
Turnover	144	-	144	144	5,067	5,211
Cost of sales	-	-	-	-	(2,980)	(2,980)
Gross profit	144	-	144	144	2,087	2,231
Distribution costs	-	-	-	-	(1,736)	(1,736)
Administrative expenses	(165)	-	(165)	(135)	(941)	(1,076)
Operating loss	(21)	-	(21)	9	(590)	(581)

4 Interest payable and similar charges

	1993 £'000	1992 £'000
Interest payable to group undertakings	-	105
Interest payable on overdrafts repayable within five years	-	80
	-	185

Mary Glasgow Publications Limited

Notes (continued)

5 Loss on ordinary activities before taxation

	1993 £'000	1992 £'000
Loss on ordinary activities before taxation is stated after charging/(crediting)		
Depreciation of tangible fixed assets	-	124
Auditors' remuneration - audit	-	17
- non audit	-	2
Rents receivable from property	(144)	(144)
Directors' emoluments	-	205
Lease charges for hire of plant and machinery	-	4
Other operating lease charges	135	135

6 Emoluments of directors

The emoluments of the directors who served during the year comprised:

	1993 £'000	1992 £'000
Emoluments for executive services	-	129
Pension contributions	-	8
Compensation for loss of office	-	68
	-	205

The emoluments, excluding pension contributions and compensation for loss of office, of the highest paid director amounted to £Nil (1992: £49,000). The emoluments of the chairman amounted to £Nil (1992: £Nil).

The emoluments, excluding pension contributions, of the directors were within the following ranges:

		Number of directors	
£0 - £ 5,000		2	1
£10,001 - £15,000		-	1
£25,001 - £30,000		-	1
£40,001 - £45,000		-	1
£45,001 - £50,000		-	1

Mary Glasgow Publications Limited

Notes (continued)

7 Staff numbers and costs

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

	Number of employees	
	1993	1992
Editorial	-	24
Marketing	-	22
Finance and administration	-	23
Production	-	19
Distribution	-	15
	<hr/>	<hr/>
	-	103
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	1993	1992
	£'000	£'000
Wages and salaries	-	1,478
Social security costs	-	122
Other pension costs	-	68
	<hr/>	<hr/>
	-	1,668
	<hr/>	<hr/>

8 Exceptional item

	1993	1992
	£'000	£'000
Provision for costs arising from reorganisation with fellow subsidiary	-	1,005
	<hr/>	<hr/>

Mary Glasgow Publications Limited

Notes (continued)

9 Taxation

	1993 £'000	1992 £'000
Taxation based on the profit for the year comprises:		
Corporation tax charge at 33% (1992: 33%)	(3)	358
Transfers from deferred taxation	-	(2)
	<u>(3)</u>	<u>356</u>

10 Tangible fixed assets

	Fixtures and plant £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
<i>Cost</i>				
At beginning of year	401	219	187	807
Transfer to group company	(401)	(219)	(187)	(807)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At end of year	-	-	-	-
<i>Depreciation</i>				
At beginning of year	216	155	109	480
Transfer to group company	(216)	(155)	(109)	(480)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At end of year	-	-	-	-
<i>Net book value</i>				
At 31 December 1993	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 1992	185	64	78	327
	<u>185</u>	<u>64</u>	<u>78</u>	<u>327</u>

Mary Glasgow Publications Limited

Notes (continued)

11 Stocks

	1993 £'000	1992 £'000
Readers, courses and audio visual teaching aids	-	278
Expenditure on forthcoming magazines and courses	-	501
Advertising materials and sundry stores	-	47
	<u>-</u>	<u>826</u>

12 Debtors

	1993 £'000	1993 £'000	1992 £'000	1992 £'000
Trade debtors		-		885
Amounts owed by fellow subsidiary undertaking	231		346	
Less: amounts provided	(144)		(144)	
	<u>-</u>	<u>87</u>	<u>-</u>	<u>202</u>
Other debtors		-		78
Prepayments and accrued income		-		225
Group relief receivable		-		391
	<u>-</u>	<u>87</u>	<u>-</u>	<u>1,781</u>

13 Creditors: Amounts falling due within one year

	1993 £'000	1992 £'000
Bank loans and overdrafts	-	656
Trade creditors	-	236
Amounts owed to parent undertaking	2,599	2,894
Other taxation and social security	3	33
Accruals and deferred income	-	1,091
	<u>2,602</u>	<u>4,910</u>

Mary Glasgow Publications Limited

Notes (continued)

14 Provision for liabilities and charges

	Reorganisation provision 1993 £'000
At 1 January 1993	547
Transferred in the year	(547)
Created in the year	30
	<hr/>
At 31 December 1993	30
	<hr/>

15 Reconciliation of movement in shareholders' funds

	1993 £'000	1992 £'000
Loss for the financial year	(24)	(1,415)
Opening shareholders' funds	(2,521)	(1,106)
	<hr/>	<hr/>
Closing shareholders' funds	(2,545)	(2,521)
	<hr/>	<hr/>

16 Share capital

	1993 £'000	1992 £'000
<i>Authorised, allotted, called up and fully paid:</i>		
10,000 ordinary shares of £1 each	10	10
	<hr/>	<hr/>

17 Lease obligations

The company had annual commitments under non-cancellable operating leases as follows:

	1993 £'000	1992 £'000
Operating leases which expire:		
In the second to fifth years inclusive		3
After more than five years	135	136
	<hr/>	<hr/>
	135	139
	<hr/>	<hr/>

Mary Glasgow Publications Limited

Notes (continued)

18 Contingent liabilities

The company is at present the subject of PAYE status investigation by the Inland Revenue. This investigation is at an early stage and its eventual outcome cannot be quantified at present.

19 Ultimate parent company

The company's ultimate parent company is Wolters Kluwer nv which is incorporated in the Netherlands.

The largest group in which the results of the company are consolidated is that headed by Wolters Kluwer nv. The consolidated accounts of Wolters Kluwer nv are available to the public and may be obtained from Wolters Kluwer (UK) plc at 136-142 Bramley Road, London W10 6SR.

No other group accounts include the results of the company.