

Emap Consumer Media Limited

Report and Accounts



For the year ended 31 March 2001

Company Registered No. 1176085

Emap Consumer Media Limited
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For the year ended 31 March 2001

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Emap Consumer Media Limited

DIRECTORS

P D McAleenan
A B Phillips
M R Henson
G W Hughes
I J Findlay

SECRETARY

N Folland

AUDITORS

PricewaterhouseCoopers
1 Embankment Place
London
WC2N 6RH

REGISTERED OFFICE

1 Lincoln Court
Lincoln Road
Peterborough
PE1 2RF

COMPANY NUMBER

1176085

Emap Consumer Media Limited

Directors' Report

For the year ended 31 March 2001

The directors submit their report and accounts for the year ended 31 March 2001.

Results and dividends

The profit for the year after taxation amounted to £25,386,000 (2000 - £42,822,000). The directors do not recommend the payment of a dividend (2000 - £40,000,000). The profit to be transferred to reserves is £25,386,000 (2000 - £2,822,000).

Principal activity, review of the business and future developments

The company publishes magazines, organises events and awards via a number of fellow subsidiaries who act as agents for the company. It is the management's intention to endeavour to maintain and improve upon the present position through the development of the existing business.

Directors and their interests

The directors who served during the year were:

P W Anders	(resigned 1 February 2000)
M H Gough	(resigned 1 February 2000)
S J Gulliford	(resigned 1 February 2000)
K L Hand	(resigned 1 February 2000)
S A Hawken	(resigned 1 February 2000)
D Hepworth	(resigned 1 February 2000)
P A Keenan	(resigned 1 February 2000)
C Llewellyn	(resigned 1 February 2000)
K Marriott	(resigned 1 February 2000)
B W McIlheney	(resigned 1 February 2000)
G T Stott	(resigned 1 February 2000)
H A Scott	(appointed 1 February 2000, resigned 29 June 2001)
P D McAleenan	(appointed 1 February 2000)
A B Phillips	(appointed 1 February 2000)
M R Henson	(appointed 1 February 2000)
G W Hughes	(appointed 24 April 2001)
I J Findlay	(appointed 24 April 2001)

The directors have no interests in the share capital of the company.

The interests of the directors in the share capital of Emap plc, the ultimate parent undertaking, at the beginning (or date of appointment if later) and the end of the year, were as follows:

	Ordinary shares	
	At 31 March 2001	At 1 April 2000
H A Scott	13,387	11,733
P D McAleenan	22,539	34,965
A B Phillips	1,210	1,513
M R Henson	100	48

Emap Consumer Media Limited

Directors' Report

For the year ended 31 March 2001

Ordinary shares under option				
	At 1 April 2000	Granted in year	Exercised in year	At 31 March 2001
H A Scott	3,188	-	1,602	1,586
P D McAleenan	26,916	-	-	26,916
A B Phillips	1,668	287	800	1,155
M R Henson	1,115	574	616	1,073

Shares provisionally allocated under the Executive Share Plan				
	At 1 April 2000	Allocated in year	Released/ rescinded in year	At 31 March 2001
H A Scott	13,062	14,055	-	27,117
P D McAleenan	6,587	11,769	6,587	11,769
A B Phillips	5,801	2,628	2,155	6,274
M R Henson	612	731	-	1,343

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;
- 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.

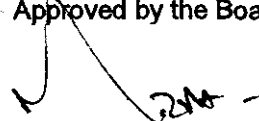
Creditor payment policy

The company understands the benefits to be derived from maintaining good relationships with its suppliers and the company ensures that, wherever possible, its payments to suppliers for goods and services are made in accordance with suppliers' terms and conditions. Trade creditors at the year end represented 45 days of purchases.

Auditors

The company has elected under section 386 of the Companies Act 1985 not to re-appoint auditors annually. Therefore the auditors, PricewaterhouseCoopers, are deemed to be re-appointed for the next financial year.

Approved by the Board on 24th January, 2002 and signed on its behalf by:



M R Henson
Director

24 January, 2002

Emap Consumer Media Limited

Auditors' Report

For the year ended 31 March 2001

Auditors' report to the members of Emap Consumer Media Limited

We have audited the financial statements on pages 5 to 16 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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 at 31 March 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

29 January, 2002

Emap Consumer Media Limited
Profit and Loss Account
For the year ended 31 March 2001

	<i>Note</i>	2001	2000
		£'000	£'000
Turnover	2	253,886	232,976
Cost of sales		(186,834)	(155,283)
Gross profit		67,052	77,693
Distribution costs		(10,825)	(9,403)
Administrative expenses		(17,037)	(5,657)
		(27,862)	(15,060)
Operating profit	3	39,190	62,633
Income from investments		7,000	3,757
Profit/(loss) on sale of fixed asset investments		887	(28)
Interest payable and similar charges	4	(10,371)	(7,727)
Profit on ordinary activities before taxation		36,706	58,635
Tax on profit on ordinary activities	6	(11,320)	(15,813)
Profit for the financial year		25,386	42,822
Dividends	7	-	(40,000)
Retained profit for the financial year	17	25,386	2,822

The above results relate to continuing operations.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

Emap Consumer Media Limited
Statement of Total Recognised Gains and Losses
For the year ended 31 March 2001

	2001	2000
	£'000	£'000
Profit for the financial year	25,386	42,822
Unrealised gain/(loss) on revaluation of foreign equity investments	5,919	(20,758)
Unrealised (loss)/gain on revaluation of foreign currency loans hedging foreign equity investments	(4,966)	18,406
Tax credit/(charge) on foreign exchange gains taken to reserves	300	(1,047)
Other foreign currency (losses)/gains	(971)	3,490
Total gains and losses recognised since the last Report and Accounts	25,668	42,913

Emap Consumer Media Limited
Balance Sheet
At 31 March 2001

	<i>Note</i>	2001	2000
		£'000	£'000
Fixed assets			
Intangible assets	8	13,588	14,098
Tangible assets	9	10,275	6,079
Investments	10	205,487	199,460
		229,350	219,637
Current assets			
Stock	11	4,431	3,790
Debtors	12	231,997	60,275
Cash at bank		-	478
		236,428	64,543
Creditors : amounts falling due within one year	13	(378,812)	(224,719)
Net current liabilities		(142,384)	(160,176)
Total assets less current liabilities		86,966	59,461
Provisions for liabilities and charges	15	(2,904)	(1,067)
Net assets		84,062	58,394
Capital and reserves			
Called up share capital	16	400	400
Profit and loss account	17	61,201	57,994
Other reserves	18	22,461	-
Total equity shareholder's funds	19	84,062	58,394

Approved by the Board of Directors on 24 January, 2002



PD McAleenan
Director

Emap Consumer Media Limited

Notes to the Accounts

For the year ended 31 March 2001

1 Accounting policies

Accounting convention

These financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards. A summary of the principal accounting policies is set out below.

Consolidation

Consolidated accounts have not been prepared as the company is a wholly owned subsidiary of Emap plc, a company registered in England and Wales. It follows that the financial statements present information about the company as an individual undertaking.

Investments

Investments in subsidiary undertakings are included in the balance sheet at cost. Their value is reviewed annually by the Directors and provision is made, where appropriate, for any permanent diminution in value.

Where investments are denominated in foreign currency and there is a corresponding foreign currency hedging liability, exchange differences arising on the foreign currency liabilities are taken to reserves to the extent that they match exchange differences on the investments to which they relate, which are also taken to reserves.

Intangible fixed assets

Publishing rights and titles are capitalised and amortised through the profit and loss account over their estimated useful economic lives, not exceeding 20 years.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is only made for deferred taxation if it is probable that a liability or an asset will crystallise in the foreseeable future.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Any differences arising are dealt with through the profit and loss account.

Depreciation

The cost of tangible fixed assets less estimated residual value on disposal is written down evenly over their expected useful economic lives as follows :

Leasehold property	Over the period of the lease
Machinery, equipment and vehicles	3 to 12 years

Stock

Stock and work in progress are stated at the lower of cost or net realisable value. Cost represents purchase cost, including attributable overheads.

Leasing

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

Emap Consumer Media Limited

Notes to the Accounts

For the year ended 31 March 2001

1 Accounting policies (cont'd)

Pensions

The ultimate parent company, Emap plc, operates a defined contribution pension plan, Flexiplan, for eligible staff across the group. The group also operates a number of other schemes which are closed to new members. The principal scheme is the Emap Earnings Related Pension Plan, a defined benefit scheme which is funded by payments to trustee administered funds.

The cost of providing pensions under the group's defined benefit scheme is charged against profits on a systematic basis with pension surpluses and deficits arising allocated over the expected remaining service lives of current members.

The cost of providing pensions under the defined contribution scheme is charged to the profit and loss account as it becomes payable.

Differences between the amounts charged in the profit and loss account and payments made to the pension funds are treated as assets or liabilities.

Cash flow statement

The company has taken advantage of the exemption provided by FRS 1 (revised 1996) not to prepare a cash flow statement. A consolidated group cash flow statement, which includes the cash flows of the company, can be found in the accounts of Emap plc.

2 Turnover

Turnover represents invoiced and cash sales and is net of value added tax. Turnover and pre-tax profit from the continuing activity of magazine publishing arises primarily in the UK and is destined for UK customers. Overseas turnover amounted to £11,245,000 (2000 - £10,672,000).

3 Operating profit

	2001 £'000	2000 £'000
(a) This is stated after charging:		
Depreciation of tangible fixed assets	3,425	2,939
Amortisation of intangible fixed assets	838	832
Loss on disposal of fixed assets	54	28
Auditors' remuneration - audit services	70	50
- non-audit services	2	-
Operating lease rentals - land and buildings	2,056	2,107
- plant and machinery	1,145	315
	<hr/>	<hr/>
(b) Directors' emoluments:		
	2001 £'000	2000 £'000
Basic salary payments (including benefits in kind)	-	361
Other performance related bonuses	-	50
Pension contributions under the defined contribution scheme	-	11
	<hr/>	<hr/>
	-	422
	<hr/>	<hr/>

Emap Consumer Media Limited
Notes to the Accounts
For the year ended 31 March 2001

3(b) Directors' emoluments (cont'd)

	2001	2000
	£'000	£'000
The emoluments of the highest paid director were as follows :		
Total emoluments	-	173
Pension contributions	-	-
	<hr/>	<hr/>
	-	173
	<hr/>	<hr/>

Retirement benefits are accruing to no (2000 - two) directors under the defined contribution scheme.
During the year three (2000 - one) directors exercised options over Emap plc shares.

4 Interest payable and similar charges

	2001	2000
	£'000	£'000
Interest payable on intercompany loan	10,371	7,727
	<hr/>	<hr/>
	10,371	7,727
	<hr/>	<hr/>

5 Staff costs

(a) Costs (including directors' emoluments)

	2001	2000
	£'000	£'000
Wages and salaries	1,018	2,885
Social security costs	317	486
Pension costs	92	95
	<hr/>	<hr/>
	1,427	3,466
Staff share bonus	-	27
	<hr/>	<hr/>
	1,427	3,493
	<hr/>	<hr/>

All UK staff previously employed by Emap Consumer Media Ltd are now employed by Emap UK Limited.

(b) Pension costs

The company participates in pension schemes operated by the group. The two largest, one defined contribution, the other defined benefit, cover between them over 90% of total membership. In all cases the assets of the schemes are held in separate trustee administered funds. The most recent valuation of the defined benefit scheme was performed at 5 April 2000 by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. Particulars of the valuation are contained in the accounts of Emap plc.

Emap Consumer Media Limited
Notes to the Accounts
For the year ended 31 March 2001

5 Staff costs (cont'd)

(c) Employees	No.	No.
Full-time employees	11	104

(d) Staff share bonus

The EMAP Share Scheme, through which staff had received free shares each year since 1980 was offered to staff for a final time in June 2000.

Taking advantage of the new All Employee Share Ownership Plan (AESOP) legislation EMAP plc has, with the approval of its shareholders, introduced the EMAP Share Plan and Sharemap. The legislation provides greater tax efficiencies to staff.

Through the new EMAP Share Plan, EMAP plc offered free shares to the value of £800 to qualifying staff in April 2001. The shares are held in trust for staff for three years, after which time they can be sold. After five years, the shares are free of income tax on release from the trust.

6 Tax on profit on ordinary activities

	2001 £'000	2000 £'000
The charge for tax comprises:		
UK corporation tax on the taxable profit for the year at 30% (2000 - 30%)	10,064	16,939
Deferred taxation	809	(1,126)
Adjustments in respect of prior periods	25	-
French corporation tax	422	-
	11,320	15,813

7 Dividends

	2001 £'000	2000 £'000
Dividend - paid	-	(40,000)
	-	(40,000)

Emap Consumer Media Limited
Notes to the Accounts
For the year ended 31 March 2001

8 Intangible assets

**Publishing rights
and titles
£'000**

Cost	
At 1 April 2000	16,668
Additions	323
Disposals	-
Exchange movement	5
At 31 March 2001	16,996
Amortisation	
At 1 April 2000	(2,570)
Provided during the year	(836)
Exchange movement	(2)
At 31 March 2001	(3,408)
Net book value at 31 March 2001	13,588
Net book value at 1 April 2000	14,098

9 Tangible fixed assets

	Short Leasehold Property £'000	Equipment and Vehicles £'000	Total £'000
Cost			
At 1 April 2000	4,588	16,174	20,762
Additions	2,419	5,303	7,722
Disposals	-	(2,808)	(2,808)
At 31 March 2001	7,007	18,669	25,676
Depreciation			
At 1 April 2000	2,189	12,494	14,683
Provided during the year	521	2,904	3,425
Disposals	-	(2,707)	(2,707)
At 31 March 2001	2,710	12,691	15,401
Net book value at 31 March 2001	4,297	5,978	10,275
Net book value at 1 April 2000	2,399	3,680	6,079

Emap Consumer Media Limited **Notes to the Accounts** **For the year ended 31 March 2001**

10 Investments in subsidiary undertakings

	£'000
At 1 April 2000	199,460
Acquisitions	108
Exchange movements	5,919
	<hr/>
At 31 March 2001	205,487
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The principal companies in which the company held more than 10% of the equity at 31st March, 2001 are set out below. All are registered in and operate in England and Wales, except Emap International Magazines SA which is incorporated in and operates in France.

The investments in Emap International Magazines SA, denominated in French Francs, has been retranslated at the year end rate, with the exchange difference transferred to the profit and loss account.

Name of company	Holding	Proportion	Nature of business
Emap Elan Network Limited	Ordinary shares	100%	Agency
Emap International Magazines SA	Ordinary shares	100%	Publishing
Emap Metro Limited	Ordinary shares	100%	Agency
Emap National Publications Limited	Ordinary shares	100%	Dormant
Hachette/Emap Magazines Limited	Ordinary shares	50%	Publishing
Presse Publishing Limited	Ordinary shares	50%	Publishing
Emap Active Limited	Ordinary shares	100%	Agency
Emap Promotions Limited	Ordinary shares	100%	Non-trading
Shire PR and Marketing Limited	Ordinary shares	100%	Events

The directors are of the opinion that the aggregate value of the company's investments in subsidiary undertakings (including amounts owed by subsidiary undertakings) is not less than the amount at which they are stated in the accounts.

Emap Promotions Limited is now 100% owned by Emap National Publications Limited and has been since 19th September, 2000.

11 Stock

	2001	2000
	£'000	£'000
Raw materials and consumables	4,430	3,761
Goods for resale	1	29
	<hr/>	<hr/>
	4,431	3,790
	<hr/>	<hr/>

Emap Consumer Media Limited
Notes to the Accounts
For the year ended 31 March 2001

12 Debtors

	2001 £'000	2000 £'000
Trade debtors	21,467	18,751
Amounts owed by other group undertakings	5,144	3,946
Amounts owed by subsidiary undertakings	86,164	20,502
Amounts owed by subsidiary undertakings - bank balance transferred to Emap Treasury Limited (see below)	101,175	2,239
Corporation tax	9,144	7,488
Other debtors	2,214	812
Deferred tax (see Note 14)	1,087	1,896
Prepayments and accrued income	5,602	4,641
	231,997	60,275

The group operates a centralised treasury banking system and surpluses or deficits on the company's bank account are transferred to Emap Treasury Limited on a daily basis.

13 Creditors: amounts falling due within one year

	2001 £'000	2000 £'000
Payments received on account	8,858	9,237
Bank loans and overdrafts	12,651	-
Trade creditors	24,636	14,686
Amounts owed to other group undertakings	296,271	177,662
Corporation tax	7,309	4,093
Other taxes and social security costs	4,466	3,877
Other creditors	854	2,976
Staff share bonus	442	571
Accruals and deferred income	23,325	11,617
	378,812	224,719

14 Deferred tax

Full provision for deferred tax has been made as in the opinion of directors, it is probable that the timing difference will crystallise. The deferred tax asset is as follows:

	2001 £'000	2000 £'000
Depreciation in advance of capital allowances	1,024	1,104
Other timing differences	63	792
	1,087	1,896

Emap Consumer Media Limited
Notes to the Accounts
For the year ended 31 March 2001

15 Provisions for liabilities and charges

	Reorganisation Provisions	Property Provisions	Total Provisions
	£'000	£'000	£'000
At 1 April 2000	-	1,067	1,067
Provided during the year	1,754	194	1,948
Utilised in the year	-	(111)	(111)
At 31 March 2001	1,754	1,150	2,904

16 Share capital

	2001 £'000	2000 £'000
Authorised		
5,000,000 ordinary shares of £1 each	5,000	5,000
Issued and fully paid		
400,100 ordinary shares of £1 each	400	400

17 Profit and loss account

	£'000
At 1 April 2000	57,994
Retained profit for the year	25,386
Unrealised gain on revaluation of foreign equity investments	5,919
Unrealised loss on revaluation of foreign currency loans hedging foreign equity investments	(4,966)
Tax charge on foreign exchange gains taken to reserves	300
Other foreign currency losses	(971)
Transfer to other reserves	(22,461)
At 31 March 2001	61,201

18 Other reserves

	£'000
At 1 April 2000	-
Transfer from profit and loss account	22,461
At 31 March 2001	22,461

This reserve relates fully to a French provision required to satisfy the French tax authorities in relation to a capital gain realised in the French group. A French tax charge of £4.65m would arise in the French group if this reserve was distributed. This charge may be reduced by UK double tax relief.

Emap Consumer Media Limited
Notes to the Accounts
For the year ended 31 March 2001

19 Reconciliation of movement in shareholder's funds

	2001 £'000	2000 £'000
Profit for the financial year	25,386	42,822
Dividend	-	(40,000)
Retained profit	25,386	2,822
Other recognised gains and losses relating to the year	282	91
Net addition to shareholder's funds	25,668	2,913
Opening shareholder's funds as previously reported	58,394	55,481
Opening shareholder's funds as restated	58,394	55,481
Net addition to shareholder's funds	25,668	2,913
Closing shareholder's funds	84,062	58,394

20 Leasing commitments

The company had annual commitments under non-cancellable operating leases at 31 March 2001 as set out below:

	Land and Buildings £'000	Plant and Machinery £'000
Leases expiring within one year	31	23
Leases expiring between two and five years	20	150
Leases expiring after five years	610	-
	661	173

21 Ultimate parent company

The ultimate parent company of the group of undertakings for which group accounts are drawn up and of which the company is a member is Emap plc, registered in England and Wales. Emap plc is the company's controlling party. Copies of the accounts of Emap plc can be obtained from 1 Lincoln Court, Lincoln Road, Peterborough, PE1 2RF.

22 Related party disclosures

Transactions with other companies within the group are not disclosed as the company has taken advantage of the exemption available under the Financial Reporting Standard No. 8 "Related Party Disclosures".