

**Directors' Report**

Registered No. 1176085

The directors submit their report and accounts for the year ended 1st April 1995.

**Results and dividends**

The profit for the year after taxation amounted to £16,682,000 (1994 - £18,520,000)

An interim ordinary dividend amounting to £18,000,000 was paid (1994 - £10,000,000). The directors do not recommend the payment of a final dividend (1994 - £Nil), leaving a loss to be retained of £1,318,000 (1994 - profit - £8,520,000).

**Review of the business and future developments**

The company publishes magazines for 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.

**Fixed assets**

Changes in fixed assets are summarised in notes 8, 9 and 10 to the accounts.

During the year the company acquired further shares in its subsidiary, EMAP International Magazines SA, as shown in note 10 to the accounts.

**Employee involvement**

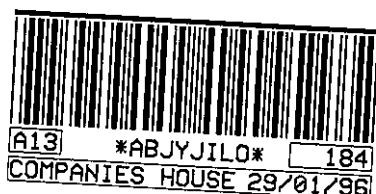
The directors are firmly committed to long-standing arrangements for providing systematic information to employees, consulting them on a regular basis, and achieving a common awareness on the part of all employees of the financial and economic factors affecting the performance of the company.

Since 1980, the parent company has operated a staff share scheme in which employees of group companies are encouraged each year to invest in shares of that company and, in return, are given further shares free of charge.

The parent company also operates a share option scheme which gives certain senior executives options to purchase shares of that company at a fixed price, and a savings related share option scheme which enables employees to save with a building society in order to purchase shares of the parent company at a fixed price.

**Employment of disabled persons**

The directors confirm that it remains their policy to make employment opportunities fully open to disabled persons, subject to their particular aptitudes and abilities; that, whenever possible, the employment of those who may become disabled during the period of employment by the company will be continued; and that the company will continue to encourage the career development of disabled persons in its employ.



## Directors' Report

(continued)

### Directors and their interests

The directors who served during the year are :

T D G Arculus  
 B R Dennis  
 M H Gough  
 K L Hand  
 S A Hawken  
 D Hepworth  
 C Llewellyn  
 K Marriott  
 R W Miller  
 T C Moloney  
 G T Stott

(Appointed 5th April 1994)

In addition P Anders was appointed as a director on 23rd August 1995.

No director had any interest in the shares of the company.

K L Hand, T D G Arculus and R W Miller are also directors of EMAP plc, the ultimate parent undertaking, and their interests are disclosed in that company's accounts.

The interests of the other directors in the share capital of the ultimate parent undertaking, EMAP plc, at the beginning of the year, or subsequent date of appointment, and at the end of the year were as follows:

### Ordinary Shareholdings

|             | At 1st April<br>1995 | At 2nd April<br>1994 or<br>subsequent<br>date of<br>appointment |
|-------------|----------------------|---|
| B R Dennis  | 28,466               | 29,225  |
| M H Gough   | 598                  | 716   |
| S A Hawken  | 621                  | 537   |
| D Hepworth  | 1,094                | 975   |
| C Llewellyn | 25,838               | 23,084  |
| K Marriott  | 4,564                | 2,620   |
| T C Moloney | 7,202                | 7,118   |
| G T Stott   | 52,752               | 59,668  |

The ultimate parent company, EMAP plc, operates for its eligible staff an Approved Profit-Sharing Scheme, an Approved Savings Related Share Option Scheme and, by invitation only, an Approved Executive Share Option Scheme.

Since 1985, options have been granted annually in the Savings Related Schemes at prices between 82p and 316p. The normal exercise dates for these options extend to 2002.

Since 1986, options have been granted annually, with the exception of 1990, in the Executive Option Scheme at prices between 110p and 395p. The normal exercise dates for these options extend to 2004.

## Directors' Report

(continued)

During the year the following transactions took place relating to Directors' Interests in options to subscribe for Ordinary Shares in EMAP plc :

|             | At 1st April<br>1995 | Granted<br>during the<br>year | Rights<br>Adjustment | Exercised<br>during the<br>year | At 2nd April<br>1994 or<br>subsequent<br>date of<br>appointment |
|-------------|----------------------|-------------------------------|----------------------|---------------------------------|---|
| B R Dennis  | 101,771              | 2,500                         | 1,436                | -                               | 97,835  |
| M H Gough   | 59,275               | 6,000                         | 771                  | -                               | 52,504  |
| S A Hawken  | 34,505               | 10,000                        | 355                  | -                               | 24,150  |
| D Hepworth  | -                    | -                             | -                    | -                               | -   |
| C Llewellyn | 45,835               | -                             | 684                  | 1,596                           | 46,747  |
| K Marriott  | 42,484               | 7,308                         | 2,109                | 3,177                           | 36,244  |
| T C Moloney | 158,701              | 18,090                        | 2,035                | -                               | 138,576   |
| G T Stott   | 104,275              | 9,090                         | 1,375                | -                               | 93,810  |

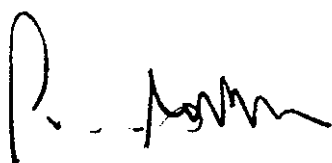
### Close company

The company is not a close company within the provisions of the Income and Corporation Taxes Act 1988.

### Auditors

An elective resolution pursuant to s386 of the Companies Act 1985 has been passed whereby the company is not obliged to re-appoint auditors annually. Ernst & Young will resign as auditors and Price Waterhouse will be appointed at a forthcoming Extraordinary General Meeting.

On behalf of the Board



P Anders  
Director  
15th January 1996

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**Directors' responsibilities for the preparation of the accounts**

Company law requires the directors to prepare accounts 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 accounts, 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 accounts;
- prepare the accounts 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 accounts comply with the Companies Act. They are also responsible for the safeguarding of assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditors' Report****REPORT OF THE AUDITORS****to the members of EMAP Consumer Magazines Limited**

We have audited the accounts on pages 6 to 15, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 8 and 9.

**Respective responsibilities of directors and auditors**

As described on page 4 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

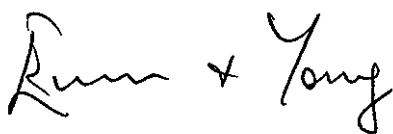
**Basis of opinion**

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 1st April 1995 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Chartered Accountants  
Registered Auditor  
Cambridge  
15th January 1996

## Profit and loss account for the financial year ended 1st April 1995

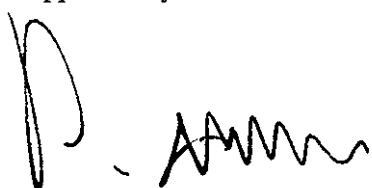
|  |              | 1995     | 1994     |
|--|--------------|----------|----------|
|  | <i>Notes</i> | £'000    | £'000    |
| <b>Turnover</b>                                      | 2            | 155,784  | 137,477  |
| Cost of sales  |              | 115,474  | 106,150  |
| <b>Gross profit</b>                                  |              | 40,310   | 31,327   |
| Distribution costs                                   |              | 6,799    | 5,726    |
| Administrative expenses                              |              | 7,460    | 6,390    |
|  |              | 14,259   | 12,116   |
| <b>Operating profit</b>                              | 3            | 26,051   | 19,211   |
| Income from investments                              | 4            | -        | 5,524    |
| Interest receivable                                  |              | 50       | 93       |
| <b>Profit on ordinary activities before taxation</b> |              | 26,101   | 24,828   |
| Tax on profit on ordinary activities                 | 6            | (9,419)  | (6,308)  |
| <b>Profit for the financial year</b>                 |              | 16,682   | 18,520   |
| Dividends  | 7            | (18,000) | (10,000) |
| <b>Retained profit for the financial year</b>        |              | (1,318)  | 8,520    |

A statement of total recognised gains and losses has not been presented as the company has no recognised gains or losses other than the profit for the year.

## Balance sheet as at 1st April 1995

|  | <i>Notes</i> | <b>1995<br/>£'000</b> | <b>1994<br/>£'000</b> |
|--|--------------|-----------------------|-----------------------|
| <b>Fixed assets</b>                                    |              |                       |                       |
| Intangible assets                                      | 8            | 1,500                 | 1,500                 |
| Tangible assets  | 9            | 3,516                 | 3,059                 |
| Investments  | 10           | 128,503               | 13,973                |
|  |              | <u>133,519</u>        | <u>18,532</u>         |
| <b>Current assets</b>                                  |              |                       |                       |
| Stocks and work-in-progress                            | 11           | 4,472                 | 2,943                 |
| Debtors  | 12           | 57,499                | 54,587                |
| Cash at bank and in hand                               | 13           | 107                   | 27                    |
|  |              | <u>62,078</u>         | <u>57,557</u>         |
| <b>Creditors - amounts falling due within one year</b> | 14           | <u>(180,960)</u>      | <u>(60,134)</u>       |
| <b>Net current liabilities</b>                         |              | <u>(118,882)</u>      | <u>(2,577)</u>        |
| <b>Total assets less current liabilities</b>           |              | <u>14,637</u>         | <u>15,955</u>         |
| <b>Capital and reserves</b>                            |              |                       |                       |
| Called up share capital                                | 16           | 400                   | 400                   |
| Profit and loss account                                | 17           | 14,237                | 15,555                |
|  |              | <u>14,637</u>         | <u>15,955</u>         |

Approved by the Board of Directors



P Anders  
Director  
15th January 1996

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**Notes to the accounts for the financial year ended 1st April 1995****1 Accounting policies****Accounting convention**

The accounts have been prepared in accordance with the historical cost convention and applicable accounting standards.

**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.

**Turnover**

Turnover represents invoiced and cash sales and is net of value added tax.

**Intangible Assets**

Acquired publishing rights and titles which have no finite life are stated at cost less provision for permanent diminution in value.

**Depreciation**

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less estimated residual value, of each asset evenly over its expected useful life, as follows:

|                              |                              |
|------------------------------|------------------------------|
| Leasehold land and buildings | Over the period of the lease |
| Plant and equipment          | 3 to 12 years                |
| Motor vehicles               | 4 years                      |

**Stocks**

Stocks and work-in-progress are stated at the lower of cost and net realisable value as follows:

|                                    |  |
|------------------------------------|--|
| Raw materials and goods for resale | Purchase cost on a first-in, first-out basis |
| Work-in-progress                   | Cost of direct materials                     |

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

**Deferred tax**

Deferred tax is provided on the liability method on all material timing differences, except to the extent that tax will not become payable in the future, and calculated at the rate at which it is estimated that the tax will be payable.

**Goodwill**

The goodwill arising on acquisition of new businesses represents the excess of their cost over their net asset value to the company at the date of purchase and is deducted from reserves in the year of acquisition.

**Operating lease rentals**

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



Notes to the accounts for the financial year ended 1st April 1995  
(continued)

1 Accounting policies (continued)

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.

Contributions to pension funds

The Group operates both defined benefit and defined contribution schemes, the former being closed to joiners.

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 schemes 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.

2 Turnover

The 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 £4,673,000 (1994-£6,684,000)

3 Operating profit

|  | 1995         | 1994         |
|--|--------------|--------------|
|  | £'000        | £'000        |
| This is stated after charging                                      |              |              |
| Directors' remuneration (salaries including pension contributions) | 261          | 79           |
| Depreciation   | 1,476        | 1,360        |
| Net (loss) / profit on sale of tangible fixed assets               | (27)         | 34           |
| Auditors' remuneration - audit services                            | 64           | 59           |
| - non-audit services   | 33           | 108          |
| Operating lease rentals - land and buildings                       | 2,241        | 2,089        |
| - plant and machinery  | 1,341        | 1,076        |
|  | <u>1,341</u> | <u>1,076</u> |

The emoluments of Directors excluding pension contributions but including, where applicable performance related bonuses, fell in the following ranges :

|                       | 1995      | 1994     |
|-----------------------|-----------|----------|
|                       | No.       | No.      |
| £ Nil - £ 5,000       | 9         | 9        |
| £ 70,001 - £ 75,000   | -         | 1        |
| £ 85,001 - £ 90,000   | 1         | -        |
| £150,001 - £155,000   | 1         | -        |
| Chairman              | £ Nil     | £ Nil    |
| Highest paid Director | £ 154,040 | £ 72,751 |

Notes to the accounts for the financial year ended 1st April 1995  
(continued)

4 Income from investments

|  | 1995<br>£'000 | 1994<br>£'000 |
|--|---------------|---------------|
| Dividends from subsidiary undertakings | -             | 5,524         |

5 Staff costs

|                       | 1995<br>£'000 | 1994<br>£'000 |
|-----------------------|---------------|---------------|
| Costs                 |               |               |
| Wages and salaries    | 2,351         | 1,245         |
| Social security costs | 208           | 113           |
| Other pension costs   | 100           | 94            |
|                       | 2,659         | 1,452         |
| Staff share bonus     | 16            | 18            |
|                       | 2,675         | 1,470         |

|  |     |     |
|--|-----|-----|
| The average weekly number of staff during the year comprised | No. | No. |
| Full-time employees  | 100 | 67  |
| Part-time employees  | -   | -   |
|  | 100 | 67  |

|                   |     |    |
|-------------------|-----|----|
| Staff at year end | 116 | 67 |
|-------------------|-----|----|

Staff share bonus

The parent company operates a staff share bonus scheme in which employees of group undertakings are encouraged each year to invest in shares of that company and, in return, are given further shares free of charge.

6 Tax on profit on ordinary activities

|  | 1995<br>£'000 | 1994<br>£'000 |
|--|---------------|---------------|
| Corporation tax on the taxable profit for the year at 33% (1994 - 33%) | 9,054         | 6,755         |
| Deferred taxation  | 52            | (236)         |
| Group relief   | 85            | 25            |
| In respect of prior years  |               |               |
| Corporation tax  | 57            | (180)         |
| Deferred taxation  | 171           | (56)          |
|  | 9,419         | 6,308         |

Notes to the accounts for the financial year ended 1st April 1995  
(continued)

7 Dividends

|                         | 1995<br>£'000 | 1994<br>£'000 |
|-------------------------|---------------|---------------|
| Ordinary - interim paid | 18,000        | 10,000        |

8 Intangible Assets

|                                      |       |
|--------------------------------------|-------|
| Publishing rights and titles         | £'000 |
| Cost:                                |       |
| At 2nd April 1994 and 1st April 1995 | 1,500 |

9 Tangible fixed assets

|                                   | Short<br>Leasehold<br>£'000 | Machinery<br>Equipment<br>& Vehicles<br>£'000 | Total<br>£'000 |
|-----------------------------------|-----------------------------|---|----------------|
| Cost or valuation                 |                             |   |                |
| At 2nd April 1994                 | 1,421                       | 6,451   | 7,872          |
| Additions                         | 198                         | 1,796   | 1,994          |
| Transfers from group undertakings | 18                          | 42  | 60             |
| Disposals                         | (136)                       | (155)   | (291)          |
| At 1st April 1995                 | 1,501                       | 8,134   | 9,635          |
| Depreciation                      |                             |   |                |
| At 2nd April 1994                 | 470                         | 4,343   | 4,813          |
| Provided during the year          | 127                         | 1,349   | 1,476          |
| Transfers from group undertakings | 3                           | 9   | 12             |
| Disposals                         | (132)                       | (50)  | (182)          |
| At 1st April 1995                 | 468                         | 5,651   | 6,119          |
| Book value at 1st April 1995      | 1,033                       | 2,483   | 3,516          |
| Book value at 2nd April 1994      | 951                         | 2,108   | 3,059          |

Notes to the accounts for the financial year ended 1st April 1995  
(continued)

### 10 Investments in subsidiary undertakings

|                   |                |
|-------------------|----------------|
|                   | £'000          |
| Cost or valuation |                |
| At 2nd April 1994 | 13,973         |
| Additions         | 114,530        |
| At 1st April 1995 | <u>128,503</u> |

The principal companies in which the company held more than 10% of the equity 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 principal addition during the year relates to the issue of further shares by EMAP International Magazines SA to fund its acquisition of two further French businesses.

| Name of company                      | Holding         | Proportion held | Nature of business |
|--------------------------------------|-----------------|-----------------|--------------------|
| EMAP Apex Publications Limited       | Ordinary shares | 100%            | Agency             |
| EMAP Elan Limited                    | Ordinary shares | 100%            | Agency             |
| EMAP Images Limited                  | Ordinary shares | 100%            | Agency             |
| EMAP International Magazines Limited | Ordinary shares | 100%            | Dormant            |
| EMAP International Magazines SA      | Ordinary shares | 100%            | Publishing         |
| EMAP Metro Limited                   | Ordinary shares | 100%            | Agency             |
| EMAP National Publications Limited   | Ordinary shares | 100%            | Agency             |
| EMAP Pursuit Publishing Limited      | Ordinary shares | 100%            | Agency             |
| EMAP Women's Group Limited           | Ordinary shares | 100%            | Agency             |
| FF Publishing Limited                | Ordinary shares | 100%            | Dormant            |
| Hachette/EMAP Magazines Limited      | Ordinary shares | 50%             | Publishing         |
| Golf World Ltd                       | Ordinary shares | 100%            | Dormant            |
| EMAP Tayvale Magazines Ltd           | Ordinary shares | 100%            | Dormant            |

The directors have 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.

### 11 Stocks

|                               | 1995<br>£'000 | 1994<br>£'000 |
|-------------------------------|---------------|---------------|
| Raw materials and consumables | 3,096         | 1,897         |
| Work in progress              | 1,361         | 773           |
| Goods for resale              | 15            | 273           |
|                               | <u>4,472</u>  | <u>2,943</u>  |

Notes to the accounts for the financial year ended 1st April 1995  
(continued)

**12 Debtors**

|   | 1995<br>£'000 | 1994<br>£'000 |
|---|---------------|---------------|
| Trade debtors   | 5,544         | 3,223         |
| Amounts owed by associated undertakings   | 192           | 176           |
| Amounts owed by subsidiary undertakings   | 37,335        | 33,473        |
| Amounts owed by parent undertakings - bank<br>balance transferred to EMAP plc (See note 13) | 5,354         | 10,316        |
| Other debtors   | 1,400         | 1,578         |
| Deferred tax (See note 15)  | 208           | 337           |
| Prepayments and accrued income  | 2,966         | 2,581         |
| Advance corporation tax recoverable   | 4,500         | 2,903         |
|   | <u>57,499</u> | <u>54,587</u> |

**13 Cash at bank and in hand**

The group operates a centralised treasury banking system and surpluses or deficits on the company's bank account are transferred to EMAP plc on a daily basis (See note 12).

**14 Creditors - amounts falling due within one year**

|   | 1995<br>£'000  | 1994<br>£'000 |
|---|----------------|---------------|
| Payments received on account                | 4,301          | 3,007         |
| Trade creditors                             | 12,400         | 10,395        |
| Staff share bonus                           | 421            | 162           |
| Amounts owed to ultimate parent undertaking | 31,971         | 28,274        |
| Amounts owed to subsidiary undertakings     | 114,636        | 1,724         |
| Current corporation tax                     | 7,810          | 8,224         |
| Other taxes and social security costs       | 2,204          | 1,458         |
| Other creditors                             | 459            | 240           |
| Accruals and deferred income                | 6,758          | 6,650         |
|   | <u>180,960</u> | <u>60,134</u> |

Notes to the accounts for the financial year ended 1st April 1995  
(continued)

### 15 Provisions for liabilities and charges

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

|  | 1995<br>£'000 | 1994<br>£'000 |
|--|---------------|---------------|
| Capital allowances in advance<br>of depreciation | -             | -             |
| Other timing differences                         | (208)         | (337)         |
|  | <u>(208)</u>  | <u>(337)</u>  |

### 16 Share capital

|                            | Authorised     |                | Allotted, called up and<br>fully paid |                |
|----------------------------|----------------|----------------|---------------------------------------|----------------|
|                            | 1995<br>No.    | 1994<br>No.    | 1995<br>£                             | 1994<br>£      |
| Ordinary shares of £1 each | <u>5000000</u> | <u>5000000</u> | <u>400,100</u>                        | <u>400,100</u> |

### 17 Statement of movement on shareholder's funds

|                     | Share<br>Capital<br>£'000 | Profit &<br>Loss<br>£'000 | Total<br>£'000 |
|---------------------|---------------------------|---------------------------|----------------|
| At 4th April 1993   | 400                       | 7,035                     | 7,435          |
| Profit for the year | -                         | 18,520                    | 18,520         |
| Dividends           | -                         | (10,000)                  | (10,000)       |
| At 2nd April 1994   | <u>400</u>                | <u>15,555</u>             | <u>15,955</u>  |
| Profit for the year | -                         | 16,682                    | 16,682         |
| Dividends           | -                         | (18,000)                  | (18,000)       |
| At 1st April 1995   | <u>400</u>                | <u>14,237</u>             | <u>14,637</u>  |

### 18 Contingent liabilities

There is a joint and several interlocking guarantee between the undertakings in the group to secure the overdraft of group undertakings with Barclays Bank plc. The amount outstanding in respect of this guarantee at 1st April 1995 was £Nil (1994 - £Nil).

Notes to the accounts for the financial year ended 1st April 1995  
(continued)

**19 Financial and capital commitments**

Lease commitments

|   | Land and<br>Buildings<br>£'000 | Plant and<br>Machinery<br>£'000 |
|---|--------------------------------|---------------------------------|
| Commitments for rentals payable under operating leases<br>in 1995/96 which expire |                                |                                 |
| Within one year   | -                              | 214                             |
| In the second to fifth year inclusive   | 419                            | 701                             |
| After five years  | 1,958                          | 121                             |
|   | <u>2,377</u>                   | <u>1,036</u>                    |

**20 Pension costs**

The company participates in pension schemes operated by the EMAP 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 schemes are held in separate trustee administered funds.

The total pension charge for the year amounted to £100,000 (1994 - £94,000)

The latest actuarial assessment of the main defined benefit scheme was at 5th April 1994, further details of which can be found in the annual report and accounts of the ultimate parent company, EMAP plc.

**21 Ultimate parent company**

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