

Emap Consumer Media Limited

Report and Accounts



For the year ended 31 March 2002

Company Registered No. 1176085

Emap Consumer Media Limited
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For the year ended 31 March 2002

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Emap Consumer Media Limited

Directors, officer and adviser

DIRECTORS

G W Hughes
P A Keenan
D P Mistry
T C Moloney
B W McIlheney
C Llewellyn

SECRETARY

N J 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 2002

The directors submit their report and accounts for the year ended 31 March 2002.

Results and dividends

The profit for the year after taxation amounted to £19,072,000 (2001 - £25,386,000). An interim dividend of £68,000,000 (2001 - £nil) has been paid. The directors do not recommend the payment of a final dividend (2001 - £nil). The loss to be transferred from reserves is £48,928,000 (2001 - profit to reserves £25,386,000).

Principal activity, review of the business and future developments

The principal activity of the company is publishing magazines, organising 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:

G W Hughes*	(appointed 24 April 2001)
P A Keenan	(appointed 10 January 2002)
D P Mistry	(appointed 10 January 2002)
T C Moloney*	(appointed 10 January 2002)
S A Hawken	(appointed 10 January 2002 and resigned 27 June 2002)
B W McIlheney	(appointed 10 January 2002)
M H Gough	(appointed 10 January 2002 and resigned 17 June 2002)
C Llewellyn	(appointed 10 January 2002)
I J Findlay	(appointed 24 April 2001 and resigned 10 January 2002)
H A Scott	(resigned 29 June 2001)
P D McAleenan	(resigned 10 January 2002)
A B Phillips	(resigned 10 January 2002)
M R Henson	(resigned 10 January 2002)

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

*The interests of these directors in the share capital of Emap plc, the ultimate parent undertaking, are shown in that Company's accounts.

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

	Ordinary shares	
	At 31 March 2002	At 1 April 2001
P A Keenan	28,097	22,897
D P Mistry	-	-
S A Hawken	273	273
B W McIlheney	364	364
M H Gough	584	584
C Llewellyn	55,970	55,970

Emap Consumer Media Limited
Directors' Report
For the year ended 31 March 2002

	Ordinary shares under option			At 31 March 2002
	At 1 April 2001	Granted in year	Exercised in year	
P A Keenan	7,199	229,700	(5,200)	231,699
D P Mistry	1,436	-	-	1,436
S A Hawken	-	17,432	-	17,432
B W McIlheney	-	27,561	-	27,561
M H Gough	2,341	26,757	-	29,098
C Llewellyn	1,891	-	-	1,891

Shares provisionally allocated under the Executive Share Plan

	At 1 April 2001	Allocated in year	Released in year	At 31 March 2002
P A Keenan	-	-	-	-
D P Mistry	-	-	-	-
S A Hawken	-	-	-	-
B W McIlheney	38,059	-	-	38,059
M H Gough	16,576	-	-	16,576
C Llewellyn	15,321	-	-	15,321

Insurance of directors

Throughout the year Directors' and Officers' liability insurance has been maintained by the ultimate parent company, EMAP plc.

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 21 days (2001 - 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 of Directors on 25th October, 2002

N J Folland

N J Folland
Secretary

Emap Consumer Media Limited

Directors' responsibilities for the preparation of the financial statements

The Directors are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss and total recognised gains or losses and cash flows of the Company for that period.

The Directors confirm that appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made in preparation of the financial statements for the year ended 31 March 2002.

The Directors also confirm that the financial statements have been properly prepared in accordance with the Companies Act 1985, and all applicable accounting standards have been followed.

The Directors are responsible for maintaining adequate accounting records, for safeguarding the assets of the Company and the investment of shareholders, and for taking reasonable steps to prevent and detect fraud and other irregularities.

The Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the accounts.

Emap Consumer Media Limited

Auditors' Report

For the year ended 31 March 2002

Independent auditors' report to the members of Emap Consumer Media Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of Directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and the United Kingdom Auditing Standards issued by the Auditing Practices Board.

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 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. The other information comprises only the Directors' Report.

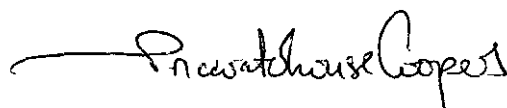
Basis of audit opinion

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 affairs of the Company at 31 March 2002 and of the profit of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

25 October, 2002

Emap Consumer Media Limited
Profit and Loss Account
For the year ended 31 March 2002

	<i>Note</i>	2002	2001
		£'000	£'000
Turnover	2	249,543	253,886
Cost of sales		(172,616)	(186,834)
Gross profit		76,927	67,052
Distribution costs		(10,814)	(10,825)
Administrative expenses		(16,228)	(17,492)
		49,885	38,735
Other operating income		1,072	455
Operating profit	3	50,957	39,190
Income from investments		1,000	7,000
Profit on sale of fixed asset investments		-	887
Amounts written off investments	11	(10,343)	-
Interest payable and similar charges	5	(10,387)	(10,371)
Profit on ordinary activities before taxation		31,227	36,706
Tax on profit on ordinary activities	7	(12,155)	(11,320)
Profit for the financial year		19,072	25,386
Dividends	8	(68,000)	-
Retained (loss)/profit for the financial year	18	(48,928)	25,386

All activities 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.

The notes on pages 9 to 18 form part of these accounts.

Emap Consumer Media Limited
Statement of Total Recognised Gains and Losses
For the year ended 31 March 2002

	2002	2001
	£'000	£'000
Profit for the financial year	19,072	25,386
Unrealised (loss)/gain on revaluation of foreign equity investments	(2,378)	5,919
Unrealised gain/(loss) on revaluation of foreign currency loans hedging foreign equity investments	2,069	(4,966)
Tax (charge)/credit on foreign exchange gains taken to reserves	(157)	300
Other foreign currency gains/(losses)	514	(971)
Total gains and losses recognised since the last Report and Accounts	19,120	25,668

The notes on pages 9 to 18 form part of these accounts.

Emap Consumer Media Limited
Balance Sheet
At 31 March 2002

	Note	2002	2001
		£'000	£'000
Fixed assets			
Intangible assets	9	14,719	13,588
Tangible assets	10	9,182	10,275
Investments	11	208,973	205,487
		232,874	229,350
Current assets			
Stock	12	3,883	4,431
Debtors	13	302,064	231,997
		305,947	236,428
Creditors : amounts falling due within one year	14	(495,572)	(378,812)
Net current liabilities		(189,625)	(142,384)
Total assets less current liabilities		43,249	86,966
Provisions for liabilities and charges	16	(4,067)	(2,904)
Net assets		39,182	84,062
Capital and reserves			
Called up share capital	17	4,400	400
Profit and loss account	18	12,606	61,201
Other reserves	19	22,176	22,461
Total equity shareholder's funds	20	39,182	84,062

Approved by the Board of Directors on 25th October, 2002


P A Keenan
Director

The notes on pages 9 to 18 form part of these accounts.

Emap Consumer Media Limited

Notes to the Accounts

For the year ended 31 March 2002

1 Accounting policies

(a) Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with all applicable UK accounting standards. The Company has implemented three new accounting standards which have come into force since the previous year end:

FRS17 'Retirement benefits'

The Company has adopted the transitional arrangements set out in the standard.

FRS 18 'Accounting policies'

This standard requires the use of the most appropriate accounting policies, judged against the objectives of relevance, reliability, comparability and understandability. Compliance with this standard has not required the Company to change any of its existing accounting policies.

FRS 19 'Deferred tax'

This standard requires full provision to be made for deferred tax assets and liabilities arising from timing differences between recognition in the financial statements and in the tax computation. The introduction of this standard did not require a prior year adjustment.

A summary of the principal accounting policies adopted by the Directors is set out below.

(b) 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.

(c) 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.

(d) 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.

(e) 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. Tax deferred or accelerated by the effect of timing differences is accounted for to the extent that a transaction or event that has occurred at the balance sheet date gives rise to an obligation to pay more tax or a right to pay less tax in the future. Deferred tax assets are only recognised to the extent that, based on available evidence, it is more likely than not that suitable taxable profits will arise from which the reversal of the assets can be deducted.

(d) 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.

Emap Consumer Media Limited

Notes to the Accounts

For the year ended 31 March 2002

1 Accounting policies (cont'd)

(e) 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

(f) Stock

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

(g) 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.

(h) 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.

(i) 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 sales net of value added taxes. News-stand circulation and advertising revenue relating to a magazine is recognised on the date that it goes on sale. Subscription revenues are shown as deferred income and released to the profit and loss account over the life of the subscription.

To the extent that costs of exhibitions and events are expected to be recoverable, income and direct costs arising in the year relating to future events are deferred until those events have taken place.

Turnover from the continuing activity of magazine publishing arises primarily in the UK and is destined for UK customers. Overseas turnover amounted to £8,796,000 (2001 - £11,245,000).

Emap Consumer Media Limited

Notes to the Accounts

For the year ended 31 March 2002

3 Operating profit

	2002 £'000	2001 £'000
This is stated after charging:		
Depreciation of tangible fixed assets	3,083	3,425
Amortisation of intangible fixed assets	923	838
Loss on disposal of tangible fixed assets	165	54
Auditors' remuneration	85	70
- audit services		
- non-audit services	2	2
Operating lease rentals	4,033	2,056
- land and buildings		
- plant and machinery	1,329	1,145

4 Directors' emoluments:

No director received any emoluments in respect of their services to the company in either the current or preceding year.

5 Interest payable and similar charges

	2002 £'000	2001 £'000
Interest payable on intercompany loan	10,387	10,371

6 Staff costs

(a) Costs

	2002 £'000	2001 £'000
Wages and salaries	1,231	1,018
Social security costs	407	317
Pension costs	-	92
	1,638	1,427

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, one defined contribution, the other defined benefit. In all cases the assets of the schemes are held in separate trustee administered funds.

The latest actuarial assessment of the main defined benefit scheme was at 5 April 2000, further details of which can be found in the annual report and accounts of EMAP plc.

(c) Employees

	2002 No	2001 No
Full-time employees	13	11

Emap Consumer Media Limited

Notes to the Accounts

For the year ended 31 March 2002

7 Tax on profit on ordinary activities

	2002 £'000	2001 £'000
The charge for tax comprises:		
UK corporation tax on the taxable profit for the year at 30% (2001 - 30%)	13,005	10,064
Deferred taxation	109	809
Adjustments in respect of prior periods	(976)	25
French corporation tax	17	422
	<u>12,155</u>	<u>11,320</u>

8 Dividends

	2002 £'000	2001 £'000
Dividend - paid	68,000	-

9 Intangible assets

	Publishing rights and titles £'000
Cost	
At 1 April 2001	16,996
Additions	492
Transfer from other group undertakings	1,563
Exchange movement	(2)
At 31 March 2002	19,049
Amortisation	
At 1 April 2001	(3,408)
Provided during the year	(923)
Exchange movement	1
At 31 March 2002	(4,330)
Net book value at 31 March 2002	14,719
Net book value at 1 April 2001	13,588

Emap Consumer Media Limited

Notes to the Accounts

For the year ended 31 March 2002

10 Tangible fixed assets

	Short Leasehold Property £'000	Equipment and Vehicles £'000	Total £'000
Cost			
At 1 April 2001	7,007	18,669	25,676
Additions	1,804	2,102	3,906
Disposals	(170)	(525)	(695)
Transfers with other group undertakings	(2,709)	692	(2,017)
At 31 March 2002	5,932	20,938	26,870
Depreciation			
At 1 April 2001	2,710	12,691	15,401
Provided during the year	472	2,611	3,083
Disposals	(273)	(69)	(342)
Transfers with other group undertakings	(228)	(226)	(454)
At 31 March 2002	2,681	15,007	17,688
Net book value at 31 March 2002	3,251	5,931	9,182
Net book value at 1 April 2001	4,297	5,978	10,275

11 Investments in subsidiary undertakings

	£'000
At 1 April 2001	205,487
Acquisitions	16,641
Written down	(10,343)
Disposal	(434)
Exchange movements	(2,378)
At 31 March 2002	208,973

Emap Consumer Media Limited

Notes to the Accounts

For the year ended 31 March 2002

11 Investments in subsidiary undertakings (cont'd)

The principal companies in which the company held more than 10% of the equity at 31st March, 2002 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 investment in Emap International Magazines SA, denominated in Euros, 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 Active Limited	Ordinary shares	100%	Agency
Emap Automotive Limited	Ordinary shares	100%	Agency
Emap Elan East Limited	Ordinary shares	100%	Publishing
Emap Elan Network Limited	Ordinary shares	100%	Agency
Emap International Magazines SA	Ordinary shares	100%	Publishing
Hachette/Emap Magazines Limited	Ordinary shares	50%	Publishing
Hachette/Emap Magazines (UK) Limited	Ordinary shares	50%	Dormant
Presse Publishing Limited	Ordinary shares	50%	Publishing
Right P R Limited	Ordinary shares	100%	Promotions
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.

12 Stock

	2002 £'000	2001 £'000
Raw materials and consumables	2,951	4,430
Work in progress	932	-
Goods for resale	-	1
	3,883	4,431

13 Debtors

	2002 £'000	2001 £'000
Trade debtors	21,240	21,467
Amounts owed by other group undertakings	-	5,144
Amounts owed by subsidiary undertakings	240,000	86,164
Amounts owed by subsidiary undertakings - bank balance transferred to Emap Treasury Limited (see below)	19,847	101,175
Corporation tax	10,055	9,144
Other debtors	2,190	2,214
Deferred tax (see Note 15)	978	1,087
Prepayments and accrued income	7,754	5,602
	302,064	231,997

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.

Emap Consumer Media Limited

Notes to the Accounts

For the year ended 31 March 2002

14 Creditors: amounts falling due within one year

	2002 £'000	2001 £'000
Payments received on account	8,449	8,858
Bank loans and overdrafts	70,786	12,651
Trade creditors	10,255	24,636
Amounts owed to other group undertakings	376,477	296,271
Corporation tax	-	7,309
Other taxes and social security costs	4,165	4,466
Other creditors	1,075	854
Staff share bonus	664	442
Accruals and deferred income	23,701	23,325
	<u>495,572</u>	<u>378,812</u>

15 Deferred tax (asset)

	2002 £'000	2001 £'000
Depreciation in advance of capital allowances	(977)	(1,024)
Other timing differences	(1)	(63)
	<u>(978)</u>	<u>(1,087)</u>

16 Provisions for liabilities and charges

	Reorganisation Provisions £'000	Property Provisions £'000	Total Provisions £'000
At 1 April 2001	1,754	1,150	2,904
Provided during the year	2,461	334	2,795
Utilised in the year	(625)	(777)	(1,402)
Transferred to other group undertakings	(230)	-	(230)
At 31 March 2002	3,360	707	4,067

Emap Consumer Media Limited

Notes to the Accounts

For the year ended 31 March 2002

17 Share capital

	2002 £'000	2001 £'000
Authorised		
5,000,000 ordinary shares of £1 each	5,000	5,000
4,000,000 redeemable preference shares of £1 each	4,000	-
	<u>9,000</u>	<u>5,000</u>
Issued and fully paid		
400,100 ordinary shares of £1 each	400	400
4,000,000 redeemable preference shares of £1 each	4,000	-
	<u>4,400</u>	<u>400</u>

On 26 March 2002 the Company authorised, allotted and issued 4,000,000 class A fixed rate redeemable preference shares of £1 each. The ordinary shares of the Company rank after the preference shares as regards payment of dividends and return of capital but carry full voting rights at general meetings of the Company. Voting rights are not available to the preference shareholders except to vary the rights attached to that class. Dividends payable on ordinary shares may fluctuate depending on the Company's results whereas preference dividends are payable at a fixed rate and are cumulative. The preference shares are redeemable on 20 June 2003 or at any time prior to that date at the option of the Company. If the preference shares are redeemed at the option of the Company, early redemption costs will be payable.

18 Profit and loss account

	£'000
At 1 April 2001	61,201
Retained loss for the year	(48,928)
Unrealised loss on revaluation of foreign equity investments	(2,378)
Unrealised gain on revaluation of foreign currency loans hedging foreign equity investments	2,069
Tax charge on foreign exchange gains taken to reserves	(157)
Other foreign currency gains	514
Transfer to other reserves	285
At 31 March 2002	<u><u>12,606</u></u>

Emap Consumer Media Limited

Notes to the Accounts

For the year ended 31 March 2002

19 Other reserves

£'000

At 1 April 2001

22,461

Exchange movements

(285)

At 31 March 2002

22,176

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 £4.59m would arise in the French group if this reserve was distributed. This charge may be reduced by UK double tax relief.

20 Reconciliation of movement in shareholder's funds

	2002 £'000	2001 £'000
Profit for the financial year	19,072	25,386
Dividend	(68,000)	-
Retained (loss)/profit	(48,928)	25,386
Other recognised gains relating to the year	48	282
Share capital	4,000	-
Net (deficit)/addition to shareholder's funds	(44,880)	25,668
Opening shareholder's funds	84,062	58,394
Closing shareholder's funds	39,182	84,062

21 Leasing commitments

The company had annual commitments under non-cancellable operating leases at 31 March 2002 as set out below:

	Land and Buildings £'000	Plant and Machinery £'000
Leases expiring within one year	234	466
Leases expiring between two and five years	1,313	856
Leases expiring after five years	1,279	-
	2,826	1,322

Emap Consumer Media Limited

Notes to the Accounts

For the year ended 31 March 2002

22 Related party disclosures

During the year ended 31 March 2002 the Company sold advertising, publishing services and paper to Hachette/Emap Magazine Ltd totalling £10,393,000 (2001 - £8,790,000) and £1,185,000 (2001 - £858,000) to Presse Publishing Limited.

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".

23 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.