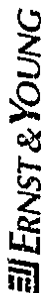


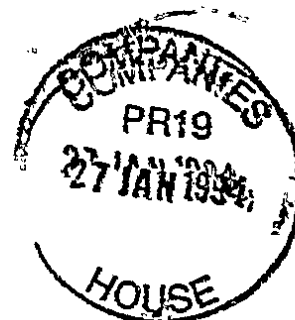
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**EMAP Consumer Magazines  
Limited**

**Report and Accounts**

3 April 1993

 ERNST & YOUNG



# EMAP Consumer Magazines Limited

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## DIRECTORS' REPORT

Registered No. 1176085

### DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 3 April 1993.

### RESULTS AND DIVIDENDS

The trading profit for the year, after taxation amounted to £14,397,000 (1992 - £10,091,000).

The directors do not recommend the payment of a final ordinary dividend. The total of ordinary dividends for the year amounted to £8,000,000 (1992 - £9,453,000) leaving a profit of £6,397,000 (1992 - £638,000) to be carried to reserves.

### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company publishes magazines for a number of fellow subsidiaries who act as agents for the company. On 28 March 1992 the company took over the assets and trades of further fellow subsidiaries.

It is 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.

### 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 ultimate 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 ultimate 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.

# EMAP Consumer Magazines Limited

## DIRECTORS' REPORT (continued)

Registered No. 1176085

### DIRECTORS AND THEIR INTERESTS

The directors of the company who have served during the year are:

K L Hand	
K Marriott	
T D G Arculus	(appointed 15 April 1992)
B R Dennis	(appointed 15 April 1992)
M H Gough	(appointed 15 April 1992)
C Llewellyn	(appointed 15 April 1992)
R W Miller	(appointed 15 April 1992)
T C Moloney	(appointed 15 April 1992)
G T Stott	(appointed 15 April 1992)
D Hepworth	(appointed 16 July 1992)

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 inclusive of their spouses in the share capital of the ultimate parent undertaking at the beginning of the year or subsequent date of appointment, and at the end of the year were as follows:

#### Ordinary Shareholdings

	At 3 April 1993	At 28 March 1992 or subsequent date of appointment
K Marriott	727	504
B R Dennis	21,894	8,530
M H Gough	813	3,579
C Llewellyn	12,500	9,180
T C Moloney	7,032	3,727
G T Stott	61,581	51,131
D Hepworth	975	0

In respect of the interest in options of the parent undertaking, it operates a Savings Related and Executive Share Option Scheme.

Since 1986, options have been granted annually in the Savings Related Scheme at prices between 117p and 231p. The normal exercise dates for these options extend to 2000.

Since 1985, options have been granted annually, with the exception of 1990, in the Executive Option Scheme at prices between 111p and 323p. The normal exercise dates for these options extend to 2002.

During the year the following transactions took place relating to directors' interests in options to subscribe for ordinary shares in the parent undertaking:

# EMAP Consumer Magazines Limited

## DIRECTORS' REPORT (continued)

Registered No. 1176085

### Ordinary Share Options

	At 3 April 1993	Granted during the year	Rights adjustment	Exercised during the year	At 28 March 1992 or subsequent date of appointment
K Marriott	29,830	8,940	755	-	20,135
B R Dennis	92,998	6,836	4,253	31,129	113,038
M H Gough	31,301	23,000	752	12,451	20,000
C Llewellyn	51,876	6,566	1,676	1,008	44,642
T C Moloney	123,576	25,000	5,854	62,778	155,500
G T Stott	82,607	28,133	1,974	46,000	98,500
D Hepworth	-	-	-	-	-

### CLOSE COMPANY STATUS

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

### AUDITORS

An elective resolution pursuant to S.386 of the Companies Act 1985 has been passed whereby the company is not obliged to re-appoint auditors annually. Ernst & Young therefore continue as auditors.

By order of the Board



D K Walmsley  
Secretary

17 January 1994

## EMAP Consumer Magazines Limited

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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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**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 page 8.

**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.

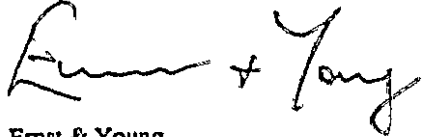
**BASIS OF OPINION**

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 the company's affairs as at 3 April 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Chartered Accountants  
Registered Auditor  
Cambridge  
17 January 1994

# EMAP Consumer Magazines Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 3 April 1993

	Notes	1993 £'000	1992 £'000
TURNOVER	2	126,506	39,112
Cost of sales		91,698	34,449
Gross profit		34,808	4,663
Distribution costs		3,357	551
Administrative expenses		9,890	2,868
		13,247	3,419
OPERATING PROFIT	3	21,561	1,244
Income from investments	4	-	12,604
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		21,561	13,848
Tax on profit on ordinary activities	6	7,164	3,757
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		14,397	10,091
Dividends	7	8,000	9,453
RETAINED PROFIT FOR THE FINANCIAL YEAR	18	6,397	638


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.

# EMAP Consumer Magazines Limited

## BALANCE SHEET

at 3 April 1993

	Notes	1993 £'000	1992 £'000
<b>FIXED ASSETS</b>			
Intangible assets	8	1,500	3,500
Tangible assets	9	2,723	1,154
Investments in subsidiary undertakings	10	13,966	8,767
		<u>18,189</u>	<u>13,421</u>
<b>CURRENT ASSETS</b>			
Stocks	11	2,988	2,015
Debtors	12	40,994	17,184
Cash at bank and in hand	13	246	10
		<u>44,228</u>	<u>19,209</u>
<b>CREDITORS: amounts falling due within one year</b>	14	<u>54,982</u>	<u>31,595</u>
<b>NET CURRENT LIABILITIES</b>		<u>(10,754)</u>	<u>(12,386)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>7,435</u>	<u>1,035</u>
Deferred taxation	15	-	3
		<u>7,435</u>	<u>1,038</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	400	400
Profit and loss account		7,035	638
		<u>7,435</u>	<u>1,038</u>



K Marriott

Director

17 January 1994



NOTES TO THE ACCOUNTS

at 3 April 1993

1. ACCOUNTING POLICIES

*Accounting convention*

The accounts are drawn up in accordance with the historical cost convention and applicable accounting standards.

*Consolidation*

Group accounts have not been prepared as permitted by section 228(1) of the Companies Act 1985.

*Turnover*

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

*Intangible fixed 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 the following 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 machinery	-	3 to 12 years
Motor vehicles	-	4 years

*Stocks*

Stocks 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 income on a straight line basis over the term of the lease.

*Contributions to pension funds*

The costs of providing pensions under the defined benefit schemes are charged against profits on a systematic basis, with pension surpluses and deficits arising allocated over the expected remaining services lives of current employees.

The costs of providing pensions under the defined contribution schemes are charged to the profit and loss account as they become due.

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

# EMAP Consumer Magazines Limited

## NOTES TO THE ACCOUNTS

at 3 April 1993

### 2. TURNOVER

The turnover and pre-tax profit arises primarily in the UK, is destined for UK customers and is mainly attributable to magazines publishing and maintenance of paper department. Export turnover amounted to £6,547,000 (1992 - £1,078,000).

### 3. OPERATING PROFIT

	1993 £'000	1992 £'000
(a) This is stated after charging:		
Directors' remuneration (salaries including pension contributions)	244	-
Depreciation	1,150	334
Operating leases	1,045	480
- Land and buildings		
- Plant and equipment	845	286
Auditors' remuneration	57	15
- Audit services		
- Non-audit services	132	21

(b) The emoluments, excluding pension contributions, of the Chairman were £Nil (1992 - £Nil) and of the highest paid director were £117,895 (1992 - £ Nil).

The directors' emoluments, excluding pension contributions, fell within the following ranges:

	1993 No.	1992 No.
£Nil - £5,000	7	2
£65,001 - £70,000	1	-
£75,001 - £80,000	2	-

### 4. INCOME FROM INVESTMENTS

	1993 £'000	1992 £'000
Dividends received from subsidiary undertakings	-	12,604

### 5. STAFF COSTS

	1993 £'000	1992 £'000
Wages and salaries	1,221	849
Social security costs	110	108
Other pension costs	71	46
	1,402	1,003

# EMAP Consumer Magazines Limited

## NOTES TO THE ACCOUNTS

at 3 April 1993

### 5. STAFF COSTS (continued)

The average weekly number of employees during the year was made up as follows:

	1993 No.	1992 No.
Full-time employees	55	60
Part-time employees	5	2
	<u>60</u>	<u>62</u>

#### Staff share bonus

The ultimate parent undertaking operates a staff share bonus 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.

### 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1993 £000	1992 £000
The charge in the profit and loss account comprises:		
Corporation tax on the taxable profit for the year at the rate of 33% (1992 - 33%)	7,124	606
Tax credits attributable to dividends received	-	3,151
Deferred tax	(44)	(3)
Group relief	-	(28)
	<u>7,080</u>	<u>3,726</u>
In respect of prior years:		
Corporation tax	37	31
Deferred tax	47	-
	<u>7,164</u>	<u>3,757</u>

### 7. DIVIDENDS

	1993 £000	1992 £000
Ordinary-interim paid	<u>8,000</u>	<u>9,453</u>

# EMAP Consumer Magazines Limited

## NOTES TO THE ACCOUNTS

at 3 April 1993

### 8. INTANGIBLE FIXED ASSETS

£'000

Publishing rights and titles:

Cost:

At 28 March 1992

3,500

Disposals

(2,000)

At 3 April 1993

1,500

### 9. TANGIBLE FIXED ASSETS

	<i>Short leaseholds £'000</i>	<i>Plant and vehicles £'000</i>	<i>Total £'000</i>
Cost:			
At 28 March 1992	220	2,685	2,905
Additions	311	1,215	1,526
Transfers from group undertakings	405	2,110	2,515
Disposals	(9)	(272)	(281)
Transfers to group undertakings	-	-	-
At 3 April 1993	927	5,738	6,665
Depreciation:			
At 28 March 1992	105	1,646	1,751
Provided during the year	94	1,056	1,150
Transfers from group undertakings	182	1,067	1,249
Disposals	(9)	(199)	(208)
Transfers to group undertakings	-	-	-
At 3 April 1993	372	3,570	3,942
Net book value at 3 April 1993	555	2,168	2,723
Net book value at 28 March 1992	115	1,039	1,154

# EMAP Consumer Magazines Limited

## NOTES TO THE ACCOUNTS

at 3 April 1993

### 10. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

£'000

Cost:

At 28 March 1992

8,767

Additions

5,199

At 3 April 1993

13,966

<i>Name of company</i>	<i>Country of registration</i>	<i>Holding</i>	<i>Proportion held</i>	<i>Nature of business</i>
EMAP Elan Limited	England	Ordinary shares	100%	Agency
EMAP National Publications Limited	England	Ordinary shares	100%	Agency
EMAP Pursuit Publishing Limited	England	Ordinary shares	100%	Agency
EMAP Metro Limited	England	Ordinary shares	100%	Agency
EMAP Images Limited	England	Ordinary shares	100%	Agency
EMAP Apex Publications Limited	England	Ordinary shares	100%	Agency
FF Publishing Limited	England	Ordinary shares	100%	Dormant
EMAP Womens Group Limited	England	Ordinary shares	100%	Agency
Hachette/EMAP Magazines Limited	England	Ordinary shares	50%	Publishing
EMAP International Magazines Limited	England	Ordinary shares	100%	Publishing

### 11. STOCKS

	<i>1993</i>	<i>1992</i>
	<i>£'000</i>	<i>£'000</i>
Raw materials	2,270	1,192
Work in progress	681	736
Goods for resale	37	87
	<u>2,988</u>	<u>2,015</u>

# EMAP Consumer Magazines Limited

## NOTES TO THE ACCOUNTS

at 3 April 1993

### 12. DEBTORS

	1993 £'000	1992 £'000
Amounts owed by associated undertakings	-	802
Trade debtors	6,902	2,572
Amounts owed by ultimate parent undertaking - bank balance transferred to EMAP plc (see Note 13)	5,831	-
Amounts owed by fellow subsidiary undertakings	19,803	11,375
Prepayments	3,128	1,193
Other debtors	2,663	1,201
Pension surplus	-	41
Advance corporation tax recoverable	2,667	-
	<u>40,994</u>	<u>17,184</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 notes 12 and 14).

### 14. CREDITORS: amounts falling due within one year

	1993 £'000	1992 £'000
Payments received on account	2,535	1,053
Trade creditors	9,648	5,921
Amounts owed to ultimate parent undertaking	-	1,164
- bank balance transferred to EMAP plc (see note 13)	22,752	3,078
Other amounts owed to ultimate parent undertaking	3,186	14,318
Amounts owed to fellow subsidiary undertakings	-	86
Amounts owed to associated undertakings	512	172
Other creditors	5,060	1,890
Accruals	9,792	2,735
Current corporation tax	1,347	1,083
Other taxes and social security	150	95
Staff share bonus	<u>54,982</u>	<u>31,595</u>

# EMAP Consumer Magazines Limited

## NOTES TO THE ACCOUNTS

at 3 April 1993

### 15. DEFERRED TAXATION

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

	1993 £'000	1992 £'000
Capital allowances in advance of depreciation	-	(9)
Other timing differences	-	6
	<u>-</u>	<u>(3)</u>

### 17. CALLED UP SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	1993 No.	1992 No.	1993 £	1992 £
Ordinary shares of £1 each	<u>5,000,000</u>	<u>5,000,000</u>	<u>400,100</u>	<u>400,100</u>

### 18. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	<i>Share capital</i> £'000	<i>Profit &amp; loss</i> £'000	<i>Total</i> £'000
At 30 March 1991	-	-	-
Profit for the year	-	10,091	10,091
Dividends paid	-	(9,453)	(9,453)
Issue of shares	400	-	400
	<u>400</u>	<u>638</u>	<u>1,038</u>
At 28 March 1992	-	14,397	14,397
Profit for the year	-	(8,000)	(8,000)
Dividends paid	-	-	-
At 3 April 1993	<u>400</u>	<u>7,035</u>	<u>7,435</u>

### 19. FINANCIAL AND CAPITAL COMMITMENTS

#### (a) Lease commitments

	<i>Land and Buildings</i> £'000	<i>Plant and Machinery</i> £'000
Commitments for rentals payable under operating leases in 1993/94 which expire:		
Within one year	-	71
In the second to fifth year inclusive	134	776
After five years	<u>1,057</u>	<u>-</u>
	<u>1,221</u>	<u>847</u>

# EMAP Consumer Magazines Limited

## NOTES TO THE ACCOUNTS

at 3 April 1993

### 19. FINANCIAL AND CAPITAL COMMITMENTS (continued)

#### (b) Contingent liabilities

There is a joint and severable interlocking guarantee given between the subsidiary undertakings in the group to secure the bank overdraft with Barclays Bank plc. The balance outstanding on the overdraft at 3 April 1993 was £Nil (1992 - £45,774,000).

### 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 the schemes are held in separate trustee administered funds.

The total pension charge for the year amounted to £71,000 (1992 - £135,000) being net of a credit amounting to £Nil (1992 - £99,000), arising on the amortisation of the Group's defined benefit schemes' pension surplus.

The latest actuarial assessment of the main defined benefit scheme was at 1 April 1991, further details of which can be found in the annual report and accounts of the ultimate parent undertaking, EMAP plc.

### 21. PARENT UNDERTAKING

The parent undertaking 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.