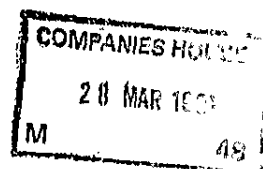


**EMAP Consumer Magazines
Limited**

1176085
(Formerly Greenwich Joinery
Company Limited)

Report and Accounts

March 31, 1990



Ernst & Young

Directors' report

The directors submit their report and accounts for the year ended March 31, 1990.

Results and dividends

The trading profit for the year, after taxation amounted to £Nil.

The directors do not recommend the payment of a final ordinary dividend.

Review of the business and future developments

The company was dormant at April 1, 1989. During the current year, its principal activities were the maintenance of the paper department, the holding of divisional administration costs and the initial operation of a newly launched magazine "Period Living".

Fixed assets

Changes in fixed assets are summarised in note 6 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 holding 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 holding 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 holding 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 of the company who have served during the year are:

K L Hand
K Marriott

K L Hand is also a director of EMAP plc, the ultimate holding company, and his interests are disclosed in that company's accounts.

The interests of the other director inclusive of his spouse in the share capital of the ultimate holding company at the beginning of the year, and at the end of the year were as follows:

	Ordinary Shares at March 31, 1990		Ordinary Shares at April 1, 1989	
	Options	Issued	Options	Issued
K Marriott	8,740	171	2,224	-

In respect of the interest in options of the ultimate holding company, it operates a Savings Related and Executive Share Option Scheme.

Since 1985, options have been granted annually in the Savings Related Scheme at prices between 84p and 194p. The current normal earliest exercise period commences in March 1991 and the latest exercise period ends in September 1997.

Since 1983, options have been granted annually in the Executive Share Option Scheme at prices between 39p and 231p. Options under certain Grants are already exercisable. The latest exercise period expires in December 1999.

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

	Options Granted	Options Exercised/(Lapsed)
K Marriott	6,516	-


Close company status

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

Auditors

Arthur Young merged their practice with Ernst & Whinney with effect from September 1, 1989 and now practise in the name of Ernst & Young. A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

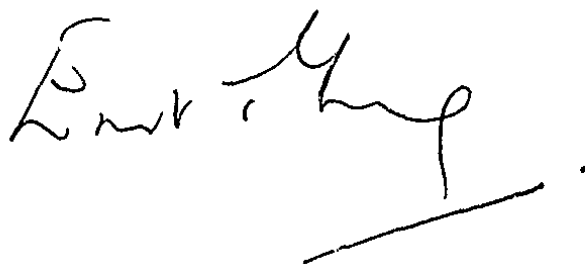
BY ORDER OF THE BOARD


B.J. ALLPRESS
June 22, 1990

Report of the auditors to the members of EMAP Consumer Magazines Limited

We have audited the accounts on pages 4 to 11 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company at March 31, 1990 and of its result and source and application of funds for the year then ended and have been prepared properly in accordance with the Companies Act 1985.

A handwritten signature in cursive script, appearing to read 'Ernst & Young', followed by a horizontal line.

ERNST & YOUNG
Chartered Accountants

CAMBRIDGE

June 22, 1990

**Profit and loss account
for the year ended March 31, 1990**

	<i>Notes</i>	<i>1990 £'000</i>	<i>1989 £'000</i>
Turnover	2	13,359	-
Cost of sales		13,351	-
Gross profit		8	-
Administrative expenses		8	-
Operating profit	3	-	-
Staff share bonus	4	-	-
Profit on ordinary activities before taxation		-	-
Tax on profit on ordinary activities	5	-	-
Profit on ordinary activities after taxation		-	-
Dividends		-	-
Retained profit for the financial year		-	-
Retained profit brought forward		-	-
Retained profit carried forward		<u>Nil</u>	<u>Nil</u>

The notes on pages 7 to 11 form part of these accounts.

Balance sheet at March 31, 1990

	Notes	£'000	1990 £'000	1989 £'000
Fixed assets:				
Tangible assets	6		31	-
Current assets:				
Stocks	7	1,284		-
Debtors	8	644		-
Cash at bank and in hand	9	-		-
		<u>1,928</u>		<u>-</u>
Creditors: amounts falling due within one year	10	<u>1,959</u>		<u>-</u>
Net current liabilities			(31)	-
Total assets less current liabilities			-	-
Provision for liabilities and charges:				
Deferred tax	11		-	-
			<u>Nil</u>	<u>Nil</u>
Capital and reserves	12		<u>Nil</u>	<u>Nil</u>

K L HAND)
K MARRIOTT) DIRECTORS
June 22, 1990

Teri AA
K *~* *GT*

The notes on pages 7 to 11 form part of these accounts.

**Statement of source and application of funds
for the year ended March 31, 1990**

1990
£'000

Source of funds:

Profit on ordinary activities before taxation

-

**Adjustment for items not involving the movement
of funds:**

Depreciation

18

Total generated from operations

18

Application of funds:

Purchase of tangible fixed assets

49

Working capital - decrease

(31)

Components of decrease in working capital:

Stocks

1,284

Debtors

644

Creditors

(1,959)

(31)

The notes on pages 7 to 11 form part of these accounts.

Notes to the accounts for the year ended March 31, 1990

1 Accounting policies

Accounting convention

The accounts are drawn up in accordance with the historical cost convention.

Turnover

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

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

Research and development

Research and development expenditure and pre-launch costs are written off in the year in which they occur.

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.

**Notes to the accounts for the year ended
March 31, 1990**
(continued)

1. Accounting policies
(continued)

Intangible fixed assets

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

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.

This represents a change in accounting policy this year following the implementation of Statement of Standard Accounting Practice No. 24.

2 Turnover

The turnover and pre-tax profit is mainly attributable to the sale of paper for magazine publishing.

3 Operating profit

	1990 £'000	1989 £'000
a) This is stated after charging/(crediting):		
Directors' remuneration (salaries including pension contributions)	-	-
Depreciation	18	-
Operating leases - Land and buildings	19	-
Management charge	(469)	-

b) The emoluments, excluding pension contributions, of the Chairman were £ Nil (1989 - £ Nil) and of the highest paid director were £ Nil (1989 - £ Nil).

**Notes to the accounts for the year ended
March 31, 1990**
(continued)

4 Staff costs

	1990 £'000	1989 £'000
Wages and salaries	620	-
Social security costs	59	-
Other pension costs	28	-
	<u>707</u>	<u>Nil</u>

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

	1990 No	1989 No
Full-time employees	29	-
Part-time employees	1	-
	<u>30</u>	<u>Nil</u>

Staff share bonus

The holding company 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. The bonus is based upon 5% of each Division's profit before tax, divided by the number of full time staff, subject to a maximum of £300 per participant.

5 Tax on profit on ordinary activities

1990 £'000	1989 £'000
---------------	---------------

The charge in the profit and loss account comprises:

Corporation tax on the taxable profit for the year at the rate of 35% (1989 - 35%)

<u>-</u>	<u>-</u>
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**Notes to the accounts for the year ended
March 31, 1990**
(continued)

6 Tangible fixed assets

	<i>Short leaseholds £'000</i>	<i>Plant and vehicles £'000</i>	<i>Total £'000</i>
Cost:			
At April 1, 1989	-	-	-
Additions	3	13	16
Transfers from group companies	-	33	33
	<hr/>	<hr/>	<hr/>
At March 31, 1990	3	46	49
	<hr/>	<hr/>	<hr/>
Depreciation:			
At April 1, 1989	-	-	-
Provided during the year	-	12	12
Transfers from group companies	-	6	6
	<hr/>	<hr/>	<hr/>
At March 31, 1990	Nil	18	18
	<hr/>	<hr/>	<hr/>
Net book value at March 31, 1990	<u>3</u>	<u>28</u>	<u>31</u>
Net book value at April 1, 1989	<u>-</u>	<u>-</u>	<u>-</u>

7 Stocks

	<i>1990 £'000</i>	<i>1989 £'000</i>
Raw materials	<u>1,284</u>	<u>Nil</u>

The replacement cost of stocks was not materially different from that shown above.

8 Debtors

	<i>1990 £'000</i>	<i>1989 £'000</i>
Trade debtors	481	-
Amounts owed by group companies - bank balance transferred to EMAP plc (see note 9)	-	-
Amounts owed by group companies	48	-
Other debtors	115	-
	<hr/>	<hr/>
	<u>644</u>	<u>Nil</u>

**Notes to the accounts for the year ended
March 31, 1990**
(continued)

9 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 8).

10 Creditors: amounts falling due within one year

	1990 £'000	1989 £'000
Trade creditors	20	-
Amounts owed to group companies	1,939	-
	<u>1,959</u>	<u>Nil</u>

11 Deferred tax

A deferred tax asset is set up where, in the opinion of the directors, it is probable that the tax benefit from short term timing differences will crystallise. Full provision for deferred tax on plant and machinery has been made where, in the opinion of the directors, it is probable that a liability to tax will crystallise. Deferred tax is as follows:

	1990 £'000	1989 £'000
Capital allowances in advance of depreciation	-	-
Other timing differences	-	-
	<u>Nil</u>	<u>Nil</u>

12 Capital and reserves

	1990 £
Authorised, allotted, called up and fully paid ordinary shares of £1 each	100
Profit and loss account: profit for the year	-
	<u>100</u>

13 Financial commitments

There is a floating charge over the assets of the company to secure debenture stock issued by the ultimate holding company of £291,000 (1989 - £291,000).

14 Holding company

The ultimate holding company is EMAP plc, registered in England.