

LIBERTY PUBLISHING & MEDIA LIMITED

Registered Number: 3137730

**ANNUAL REPORT
YEAR ENDED 31 AUGUST 2001**



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COMPANIES HOUSE

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25/06/02

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Liberty Publishing & Media Limited

Directors, Officers and Registered Office

Directors

R J Fallowfield
W C Najdecki
J Byrne
J B Lack

Secretary

R J Fallowfield

Auditors

PKF
New Garden House
78 Hatton Garden
London EC1N 8JA

Bankers

HSBC Bank plc
PO Box 648
Poultry & Princes Street
London EC2P 2BX

National Westminster Bank plc
City of London Office
PO Box 12258
1 Princes Street
London
EC2R 8PA

Registered Office

87-135 Brompton Road
Knightsbridge
London SW1X 7XL

DIRECTORS' REPORT

The Directors present their report and the audited financial statements of the Company and Group for the year ended 31 August 2001, which show the state of the Group's affairs.

Review of Business

The Group continued to focus on its mainstream publishing businesses, Punch and Brompton Press. Punch magazine has continued to headline stories, which mainstream media initially decline to run. Various marketing strategies were undertaken to raise awareness of the magazine and these continued into 2002. Although some small successes were achieved, sustained growth in circulation is not being made and losses have continued to accumulate. The Directors therefore decided, to cease publication of the magazine with effect from 29th May 2002. The Punch website has continued to be developed during the year and this has seen a substantial increase in enquiries to the Punch Archive for research work and the licensing of cartoons and articles.

During the year Punch Limited made a charitable donation of £12,500 to the Cancer Research Campaign at the request of a third party in settlement of a claim against the magazine.

Results and Dividends

The Group loss after taxation for the year ended 31 August 2001 amounted to £2,780,064.

The Directors are unable to recommend the payment of a dividend and an amount of £2,780,064 has been transferred out of reserves.

Principal Activity

The Company's principal activity is to acquire and manage trading businesses in publishing and broadcasting.

Directors and their Interests

R J Fallowfield
W C Najdecki
J Byrne
J B Lack (appointed 25th July 2001)

The following Directors also held office during the period:

P D Hall (appointed 18 July 2000 resigned 17 February 2001)
J M Griffiths (resigned 25th July 2001)
J A Brilliant (appointed 25th July 2001 resigned 14th March 2002)

DIRECTORS' REPORT (Continued)

In accordance with the Articles of Association, no Director is required to seek re-election at the forthcoming Annual General Meeting.

No Director in office at 31 August 2001 held any beneficial interest in the shares of Liberty Publishing and Media Limited, or any of its subsidiaries at 1 September 2000, or at the date of appointment, or at 31 August 2001.

No Director has had a material interest, directly or indirectly, at any time during the year in any contract significant to the business.

The Environment

The Company has continued to adopt policies and procedures, which take account of the need to preserve and protect the environment. The Directors are committed to compliance with environmental best practice in all aspects of the business.

Policy on payment of creditors

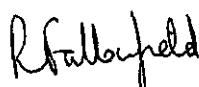
It is the Company's policy to agree payment terms as part of any formal contract with a supplier and to make every endeavour to abide by the agreed terms. Where a purchase is not covered by a formal contract, and no agreement is reached in advance of raising an order, the policy is that any valid invoice will be paid in full. The Company is sympathetic to, and pays particular attention to, the cash flow needs of its smaller suppliers.

The group takes on average 47 days to pay its creditors. (2000: 11 days)

Auditors

PKF have expressed their willingness to continue in office as Auditors to the Company and a resolution proposing their re-appointment and authorising the Directors to fix their remuneration will be put to the Annual General Meeting.

BY ORDER OF THE BOARD



R J Fallowfield
Secretary
31st May 2002

Liberty Publishing & Media Limited

Statement of Directors' Responsibilities

The Directors are required by the Companies Act 1985 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 for the financial year.

The Directors have prepared the financial statements on pages 7 to 23 on a going concern basis and consider that the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The Directors have responsibility for ensuring that the Company keeps accounting records, which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for ensuring that the directors' report is prepared in accordance with company law in the United Kingdom

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
LIBERTY PUBLISHING AND MEDIA LIMITED**

We have audited the financial statements of Liberty Publishing and Media Limited for the year ended 31 August 2001 which comprise a Consolidated Profit and Loss Account, Consolidated and Company Balance Sheets, a Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom 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 United Kingdom Auditing Standards.

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 with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 judgments 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.

Going Concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the continuing support that has been indicated by the ultimate holding company and the ultimate controlling party and the consequent adoption of the going concern basis for the preparation of the accounts.

Liberty Publishing & Media Limited

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
LIBERTY PUBLISHING AND MEDIA LIMITED (Continued)**

In view of the significance of this matter we consider that it should be drawn to your attention, but our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the affairs of the company and the group as at 31 August 2001 and of the group's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PKF

PKF

Registered Auditors

London, UK

10 June 2002

Liberty Publishing & Media Limited

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 AUGUST 2001**

Note		Year to 31/8/01 £'000	Year to 31/8/00 £'000
2,3	TURNOVER	391	425
	External charges	(1,886)	(2,499)
2,4	Staff costs	(736)	(1,109)
2,10	Depreciation	(24)	(109)
2	Amortisation of Goodwill	-	(85)
9	Amortisation of Intangible asset	(500)	-
		<hr/>	<hr/>
2,6	OPERATING LOSS	(2,755)	(3,377)
	Profit on disposal of discontinued operation	-	2,341
		<hr/>	<hr/>
	Loss on ordinary activities before interest	(2,755)	(1,036)
7	Net interest payable and similar charges	(25)	(20)
		<hr/>	<hr/>
18.	LOSS FOR THE FINANCIAL YEAR	(2,780)	(1,056)
		<hr/>	<hr/>

There were no recognised gains or losses other than those shown above. The movements on reserves are shown in Note 18.


All losses in the year to 31 August 2001 derive from continuing operations.

Liberty Publishing & Media Limited

**CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2001**

Note		As at 31/8/01 £'000	As at 31/8/00 £'000
	FIXED ASSETS		
9	Intangible assets	-	500
10	Tangible assets	18	23
		<u>18</u>	<u>523</u>
	CURRENT ASSETS		
12	Stocks	22	26
13	Debtors (Amounts falling due within one year)	163	296
	Cash at bank and in hand	98	50
		<u>283</u>	<u>372</u>
14	CREDITORS (Amounts falling due within one year)	(1,061)	(1,223)
		<u></u>	<u></u>
	NET CURRENT LIABILITIES	<u>(778)</u>	<u>(851)</u>
	TOTAL ASSETS LESS CURRENT LIABILITIES	(760)	(328)
15	CREDITORS (Amounts falling due after more than one year)	(5,748)	(3,237)
16	PROVISIONS FOR LIABILITIES AND CHARGES	(83)	(246)
		<u>(6,591)</u>	<u>(3,811)</u>
	CAPITAL AND RESERVES		
17	Called up share capital	19,250	19,250
18	Profit and loss reserves	(25,841)	(23,061)
19	SHAREHOLDERS' FUNDS	<u>(6,591)</u>	<u>(3,811)</u>

Approved by the Board on 31st May 2002.


J B Lack
Director

The notes on pages 11 to 23 form an integral part of these accounts.

Liberty Publishing & Media Limited

**BALANCE SHEET
AS AT 31 AUGUST 2001**

Note		As at 31/8/01 £'000	As at 31/8/00 £'000
	FIXED ASSETS		
9	Intangible assets	-	500
10	Tangible assets	1	9
11	Investments	-	-
		<u>1</u>	<u>509</u>
	CURRENT ASSETS		
13	Debtors (Amounts falling due within one year)	18	224
	Cash at bank and in hand	90	43
		<u>108</u>	<u>267</u>
14	CREDITORS (Amounts falling due within one Year)	<u>(586)</u>	<u>(1,014)</u>
	NET CURRENT (LIABILITIES)	<u>(478)</u>	<u>(747)</u>
	TOTAL ASSETS LESS CURRENT LIABILITIES	(477)	(238)
15	CREDITORS (Amounts falling due after more than one year)	<u>(5,748)</u>	<u>(3,237)</u>
		<u>(6,225)</u>	<u>(3,475)</u>
	CAPITAL AND RESERVES		
17	Called up share capital	19,250	19,250
18	Profit and loss reserves	(25,475)	(22,725)
19	SHAREHOLDERS' FUNDS	<u>(6,225)</u>	<u>(3,475)</u>

Approved by the Board on 31st May 2002.


J B Lack
Director

The notes on pages 11 to 23 form an integral part of these accounts.

Liberty Publishing & Media Limited

**CONSOLIDATED CASHFLOW STATEMENT
YEAR ENDED 31 AUGUST 2001**

Note	Year to 31/8/01 £'000	Year to 31/8/00 £'000
20 Net cash outflow from operating activities	(2,416)	(2,273)
21 Returns on investments and servicing of finance	(25)	(20)
21 Capital expenditure and financial investments	(20)	(56)
21 Disposal of subsidiary	<u>(2)</u>	<u>2,828</u>
Net cash (outflow)/inflow before financing	(2,463)	479
Financing		
Increase/(decrease) in loans	2,511	(455)
Capital element of finance loans repayment	<u>-</u>	<u>(15)</u>
Net cash inflow/(outflow) from financing	2,511	(470)
Increase in cash in the year	<u>48</u>	<u>10</u>
Reconciliation of net cash flow to movement in net debt		
Increase in cash in the year	48	10
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	<u>(2,511)</u>	<u>470</u>
Movement in net debt in the year	(2,463)	480
Net debt at 1 September 2000	<u>(3,187)</u>	<u>(3,667)</u>
22 Net debt at 31 August 2001	<u><u>(5,650)</u></u>	<u><u>(3,187)</u></u>

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared under the historical cost convention and comply with the disclosure requirements of the Companies Act 1985 and applicable accounting standards.

b) Going Concern

The group has a deficit of shareholder's funds at 31 August 2001 and since that date the group has continued to make losses. The financial statements have been prepared on a going concern basis, which assumes that the company will continue in operational existence for the foreseeable future. In concluding that it is appropriate to adopt the going concern basis in preparing these financial statements the Directors have had regard to the written indications received from the ultimate parent company, Liberty Holdings Limited, and the verbal indications received from the ultimate controlling party, Mr M Al Fayed, that continued funding will be made available to finance the Group's working capital requirements for the foreseeable future. Although there is no legal obligation for either Liberty Holdings Limited or Mr Al Fayed to provide this continued support, the Directors are confident that such funding will be forthcoming.

c) Basis of Consolidation

The financial statements incorporate the audited assets and liabilities, results and cash flows of subsidiary undertakings for the year.

d) Stocks

Stocks are stated at the lower of cost and net realisable value.

e) Depreciation

Depreciation is provided by the Company in order to write down to estimated residual value, if any, the cost or valuation of tangible fixed assets over their estimated useful lives by equal annual instalments, on the following basis:

Short leasehold improvements	10%
Machinery, fixtures and equipment	20% and 33%

Website development costs have been charged to the profit and loss account in accordance with the provisions of UTIF abstract 29 – Website Development Costs.

NOTES TO THE ACCOUNTS.....contd

1. ACCOUNTING POLICIES ...contd

f) Deferred Taxation

Deferred taxation is provided in respect of differences arising from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Provision has been made where a tax liability is expected to crystallise.

g) Leasing

Assets acquired under finance leases and hire purchase contracts are capitalised and depreciated over their useful lives. The interest element of the rental obligations is charged to profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

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

h) Pension Costs

The cost of defined contribution pensions represent the contributions payable by the company during the year.

i) Foreign Currency

Transactions denominated in foreign currency are translated at exchange rates ruling at the transaction date. Realised gains and losses are dealt with in the profit and loss account.

Liberty Publishing & Media Limited

NOTES TO THE ACCOUNTS.....contd

2. CONTINUING AND DISCONTINUED OPERATIONS

The analysis of continuing and discontinued operations for the previous year are shown below. Discontinued operations relate wholly to the sale of Liberty Radio Limited, which was sold in July 2000.

	Continuing Operations Year to 31/8/00 £'000	Discontinued Operations Year to 31/8/00 £'000	Total Year to 31/8/00 £'000
TURNOVER	293	132	425
External charges	(1,680)	(819)	(2,499)
Staff costs	(680)	(429)	(1,109)
Depreciation	(22)	(87)	(109)
Amortisation of Goodwill	(85)	-	(85)
	<u>(2,467)</u>	<u>(1,335)</u>	<u>(3,802)</u>
OPERATING LOSS	<u>(2,714)</u>	<u>(1,203)</u>	<u>(3,377)</u>

3. TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties.

	Year to 31/8/01 £'000	Year to 31/8/00 £'000
Books	8	11
Radio Advertising	-	132
Magazine sales, advertising and Punch merchandise	383	282
	<u>391</u>	<u>425</u>

4. STAFF COSTS

	Year to 31/8/01 £'000	Year to 31/8/00 £'000
Wages and salaries	636	969
Social Security costs	59	104
Other pension costs	40	36
	<u>736</u>	<u>1,109</u>

Liberty Publishing & Media Limited

NOTES TO THE ACCOUNTS.....contd

4. STAFF COSTS (Continued)

Average number employed by the group during the period:

	Number	Number
Editorial and Programming	10	25
Sales and Marketing	2	7
Finance and Administration	5	5
	<u>17</u>	<u>37</u>

	Year to 31/8/01 £'000	Year to 31/8/00 £'000
Directors' emoluments:		
Emoluments	<u>-</u>	<u>62</u>

5. TAXATION

No taxation charge has been provided in the accounts, based on the results of the year (2000: £nil). The group has unutilised tax losses at the end of the year end for set off against future trading profits.

6. OPERATING LOSS

	Year to 31/8/01 £'000	Year to 31/8/00 £'000
Operating Loss is stated after charging:		
Staff Costs	736	1,109
Depreciation of tangible fixed assets		
owned assets	24	93
Assets under lease	-	16
Auditors' remuneration		
Audit services	14	24
Non audit services	5	10
Operating lease rentals		
Land and buildings	58	114
Other	<u>12</u>	<u>14</u>

Liberty Publishing & Media Limited

NOTES TO THE ACCOUNTS.....contd

7. INTEREST	Year to 31/8/01 £'000	Year to 31/8/00 £'000
Receivable		
Bank interest	<u>5</u>	<u>-</u>
Payable		
Payable to group undertakings:		
Loans wholly or partly repayable after 5 years	(30)	(15)
Finance lease interest	<u>-</u>	<u>(5)</u>
	<u>(30)</u>	<u>(20)</u>
Net Interest	<u>(25)</u>	<u>(20)</u>

8. LOSS FOR THE FINANCIAL PERIOD

No profit and loss account is presented for Liberty Publishing & Media Limited in accordance with the exemption provided by Section 230 of the companies Act 1985. The company's loss for the financial period amounts to £2,750,368.

9. INTANGIBLE ASSETS

Group and Company	Publishing Rights and Archive
Cost	£'000
At 31.8.00 and at 31.8.01	<u>500</u>
Amortisation	
At 31.8.00	-
Charge for the year	<u>(500)</u>
At 31.8.01	<u>(500)</u>
Net Book Value	
At 31.8.01	-
At 31.8.00	<u>500</u>

Punch publishing rights and archives are recorded at acquisition cost of £500,000. In accordance with the provisions of FRS11 - Impairment of fixed assets and goodwill, the directors have conducted a review of the carrying value of the publishing rights and archive and have concluded that it is appropriate to make a full provision against the carrying value.

NOTES TO THE ACCOUNTS.....contd

10. TANGIBLE ASSETS

Group	Short leasehold improvements £'000	Machinery, fixtures and equipment £'000	Total £'000
Cost:			
At 31.8.00	9	430	439
Additions	-	19	19
At 31.8.01	9	449	458
Depreciation:			
At 31.8.00	4	412	416
Provision for year	5	19	24
At 31.8.01	9	431	440
Net book amount			
At 31.8.01	-	18	18
At 31.8.00	5	18	23
Company			
Cost:			
At 31.8.00	-	85	85
Additions	-	1	1
At 31.8.01	-	86	86
Depreciation:			
At 31.8.00	-	76	76
Provision for year	-	9	9
At 31.8.01	-	85	85
Net Book amount			
At 31.8.01	-	1	1
At 31.8.00	-	9	9

Liberty Publishing & Media Limited

NOTES TO THE ACCOUNTS.....contd

11. INVESTMENTS

Cost	£'000
At 31.8.00	11,270
At 31.8.01	<u>11,270</u>
Provision at 1.9.00	11,270
Provision at 31.8.01	<u>11,270</u>
Net book amount	
At 31.8.01	-
At 31.8.00	<u>-</u>

The Company's subsidiary undertakings at 31 August 2001, which are all 100% owned, are as follows:

	Activity
Punch Limited	Publishing
Brompton Press Limited	Publishing
The Liberty Broadcasting Company Limited	Non-trading

12. STOCKS

	As at 31/8/01 £'000	As at 31/8/00 £'000
Group		
Raw materials and consumables	15	13
Work in Progress	3	9
Finished goods for resale	4	4
	<u>22</u>	<u>26</u>

The company has no stock.

13. DEBTORS (Amounts falling due within one year)

	Group 31/8/01 £'000	Group 31/8/00 £'000	Company 31/8/01 £'000	Company 31/8/00 £'000
Trade debtors	123	16	14	6
Other debtors	22	227	2	215
Prepayments and accrued income	18	53	2	3
	<u>163</u>	<u>296</u>	<u>18</u>	<u>224</u>

Liberty Publishing & Media Limited

NOTES TO THE ACCOUNTS.....contd

14. CREDITORS (Amounts falling due within one year)

	Group 31/8/01 £'000	Group 31/8/00 £'000	Company 31/8/01 £'000	Company 31/8/00 £'000
Trade creditors	37	50	3	6
Other creditors	723	921	572	891
Accruals and deferred income	301	252	11	117
	<u>1,061</u>	<u>1,223</u>	<u>586</u>	<u>1,014</u>

15. CREDITORS (Amounts falling due after more than one year)

	Group 31/8/01 £'000	Group 31/8/00 £'000	Company 31/8/01 £'000	Company 31/8/00 £'000
Amounts owed to parent undertaking	<u>5,748</u>	<u>3,237</u>	<u>5,748</u>	<u>3,237</u>

16. PROVISIONS FOR LIABILITIES AND CHARGES

	Legal costs £'000
Balance at 1 September 2000	246
New provisions	20
Utilised in the year	(183)
Balance at 31 August 2001	<u>83</u>

Provisions are made for legal costs associated with the publication of Punch Magazine.

17. SHARE CAPITAL

	31/8/01 £	31/8/00 £
Authorised:		
20,000,000 ordinary shares of £1 each	<u>20,000,000</u>	<u>20,000,000</u>
Allotted and fully paid:		
19,250,100 ordinary shares of £1 each	<u>19,250,100</u>	<u>19,250,100</u>

18. PROFIT AND LOSS RESERVES

	Group £'000	Company £'000
At 1 September 2000	(23,061)	(22,725)
Transfer from profit and loss account for the year	(2,780)	(2,750)
At 31 August 2001	<u>(25,841)</u>	<u>(25,475)</u>

Liberty Publishing & Media Limited

NOTES TO THE ACCOUNTS.....contd

19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	Group £'000	Company £'000
Loss for the financial year	(2,780)	(2,750)
Opening shareholders' funds	(3,811)	(3,475)
Closing shareholders' funds	<u>(6,591)</u>	<u>(6,225)</u>
20. RECONCILIATION OF OPERATING LOSS TO OPERATING CASH FLOWS		
	Total Year to 31/8/01 £'000	Total Year to 31/8/00 £'000
Operating loss	(2,752)	(3,377)
Depreciation charge	24	109
Amortisation of goodwill	-	85
Amortisation of intangible asset	500	-
Loss on disposal of tangible assets	-	3
Loss on disposal of current asset investments	-	49
Decrease in stock	4	5
Decrease/(increase) in debtors	133	(208)
(Decrease)/Increase in creditors	(162)	918
Provisions	<u>(163)</u>	<u>143</u>
Net cash outflow from operating activities	<u>(2,416)</u>	<u>(2,273)</u>

Liberty Publishing & Media Limited

NOTES TO THE ACCOUNTS.....contd

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT	Year to 31/8/01 £'000	Year to 31/8/00 £'000
Returns on investment and servicing of finance		
Interest received	5	-
Interest paid	(30)	(15)
Interest element of finance lease repayments	-	(5)
Net cash outflow from returns on investment and servicing of finance	<u>(25)</u>	<u>(20)</u>
Capital expenditure and Financial Investments		
Purchase of equipment	(20)	(7)
Purchase of shares	-	(168)
Proceeds from disposal of current asset investments	-	119
	<u>(20)</u>	<u>(56)</u>
Acquisitions and Disposals		
Proceeds on sale of subsidiary	-	3,000
Costs of sale of subsidiary	(2)	(171)
Cash transferred with subsidiary	-	(1)
	<u>(2)</u>	<u>2,828</u>

22. ANALYSIS OF NET DEBT

	At 1/9/00 £'000	Cash flow £'000	At 31/8/01 £'000
Cash at bank and in hand	50	48	98
Debt due after one year	(3,237)	(2,511)	(5,748)
	<u>(3,187)</u>	<u>(2,463)</u>	<u>(5,650)</u>

23. OPERATING LEASE COMMITMENTS

The Group had annual commitments under non-cancellable operating leases as set out below:

	Group 31/8/01 £'000	Group 31/8/00 £'000	Company 31/8/01 £'000	Company 31/8/00 £'000
Operating leases which expire				
Within 1 year	4	-	4	-
Between 2 and 5 years	-	13	-	13
	<u>4</u>	<u>13</u>	<u>4</u>	<u>13</u>

NOTES TO THE ACCOUNTS.....contd

24. RELATED PARTIES

As part of their employment, Directors and senior employees of the Group can purchase goods from Harrods Store using a staff account card. The amounts of goods purchased by the Directors are not considered to be material either to the Group or the individuals. There are no other transactions between these individuals and the Group, other than as shown in Note 4 to the financial statements.

At the balance sheet date there were arm's length agreements between the Group and various related companies to provide management, security, property and maintenance services. These companies have directors in common with the Group. The value of these transactions during the period were:-

	Year to 31/8/01		Year to 31/8/00	
	Purchases	Sales	Purchases	Sales
	£	£	£	£
Genavco Insurance Ltd	43,694	-	45,904	-
Harrods (UK) Ltd	128,341	-	262,060	-
Harrods Ltd	56,521	19,718	55,911	14,158
Metro Business Aviation Ltd	3,155	2,026	5,058	4,146
O. Fayed	343	-	-	-
The People's Trust	5,900	7,279	20,750	10,107
Harrods Minerals Services Ltd	-	3,674	-	-
Fulham Football Leisure Ltd	-	1,600	-	-
H.J.W and Associates Inc	-	78	-	-
The Ritz Hotel Limited	-	3,576	-	2,750
Globexplorer Inc.	-	3,130	-	900
Harrods On-Line Ltd	-	7,777	-	9,820
The Map Factory Inc.	-	2,441	-	10,057
Harrods International Ltd	-	-	-	1,750
Harrods Natural Resources Inc.	-	-	-	26,250
Fulham Stadium Ltd	-	-	-	132
	237,954	51,299	389,683	80,070

No disclosure has been made of any transactions within these financial statements with subsidiaries in accordance with the exemptions allowed under Financial Reporting Standard No. 8.

Liberty Publishing & Media Limited

NOTES TO THE ACCOUNTS.....contd

24. RELATED PARTIES (continued)

At the balance sheet date the Debtors and Creditors for the Group included the following balances:

	Debtor	Creditor
	£	£
Harrods Online Ltd	-	36,777
Globexplorer inc.	3,136	-
Metro Business Aviation Ltd	2,350	-
Fulham Football Leisure Ltd	1,880	-
The Map Factory inc	2,441	-
The Ritz Hotel Limited	1,206	-
Harrods Minerals Services Ltd	3,674	-
H.J.W and Associates Inc	78	-
The People's Trust	-	1,500
Harrods Limited	6,375	246,354
Harrods (UK) Limited	-	236,874
	<u>21,140</u>	<u>521,505</u>

Analysis of the movement of the loan from Liberty Holdings Limited:

	31/8/01	31/8/00
	£	£
Advances made during the year	2,511,193	2,245,000
Repayment of loan	-	(2,700,000)
Net increase/(reduction) in loan	<u>2,511,193</u>	<u>(455,000)</u>
Opening balance	3,237,017	3,692,017
Closing balance	<u>5,748,210</u>	<u>3,237,017</u>

25. PENSIONS

The Group participated in the Liberty Publishing and Media Group Personal Pension Plan, which is a money purchase scheme.

The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension charge of £40,249 (2000: £35,525) represents contributions by the Group to the pension fund.

Liberty Publishing & Media Limited

NOTES TO THE ACCOUNTS.....contd

26. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

At 31 August 2001 the ultimate parent undertaking of Liberty Publishing and Media Limited was Liberty Holdings Limited, a company incorporated in Jersey, which is owned and controlled by M. Al Fayed, the ultimate controlling party.

27. POST BALANCE SHEET EVENT

Despite a number of marketing initiatives during 2001 and 2002 no significant increases in circulation have been sustained and losses have continued to accumulate. The Directors decided to cease publication of the magazine with effect from 29th May 2002.

This has no effect on the carrying values of the assets and no adjustments have been made to the accounts as a result of this decision.