

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2007  
FOR  
FMD LIMITED**

Feltons  
Registered Auditors  
Chartered Accountants  
Vittoria House  
1-7 Vittoria Street  
Birmingham  
B1 3ND

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**FMD LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 30 APRIL 2007**

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**DIRECTORS:**

R D Piper  
D D McIntosh  
P Arden  
J Bunting

**SECRETARY:**

D D McIntosh

**REGISTERED OFFICE:**

Aviation House  
923 Southern Perimeter Road  
London Heathrow Airport  
Hounslow  
Middlesex  
TW6 3AE

**REGISTERED NUMBER:**

3729720

**AUDITORS:**

Feltons  
Registered Auditors  
Chartered Accountants  
Vittoria House  
1-7 Vittoria Street  
Birmingham  
B1 3ND

## **FMD LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 APRIL 2007**

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The directors present their report with the financial statements of the company for the year ended 30 April 2007

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of a holding company for a company engaged in the distribution of magazines and periodicals

#### **REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements

#### **DIVIDENDS**

No dividends will be distributed for the year ended 30 April 2007

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 May 2006 to the date of this report

R D Piper  
D D McIntosh

Other changes in directors holding office are as follows

A Smith - resigned 31 August 2006  
S G O Thomas - resigned 29 September 2006  
P Arden - appointed 9 October 2006  
J Bunting - appointed 14 August 2006

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements 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 financial statements comply with the Companies Act 1985. 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.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**FMD LIMITED**

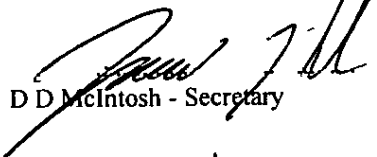
**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 30 APRIL 2007**

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**AUDITORS**

The company has elected to dispense with the annual appointment of auditors. In the absence of a specific resolution to the contrary Feltons will continue in office.

**ON BEHALF OF THE BOARD:**

  
D D McIntosh - Secretary

Date 29/10/07

## **REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF FMD LIMITED**

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We have audited the financial statements of FMD Limited for the year ended 30 April 2007 on pages six to twelve. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Report of the Directors 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 International Standards on Auditing (UK and Ireland) 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF  
FMD LIMITED**

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**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 April 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements

*Feltons*

Feltons  
Registered Auditors  
Chartered Accountants  
Vittoria House  
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Birmingham  
B1 3ND

Date 31/10/2007

**FMD LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 APRIL 2007**

	Notes	2007 £	2006 £
<b>TURNOVER</b>		-	-
<b>OPERATING PROFIT</b>	3	-	-
Income from shares in group undertakings		<u>200,000</u>	<u>-</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>200,000</b>	-
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<b><u>200,000</u></b>	<b><u>-</u></b>

**CONTINUING OPERATIONS**

The profit and loss account has been prepared on the basis that all operations are continuing operations

**TOTAL RECOGNISED GAINS AND LOSSES**

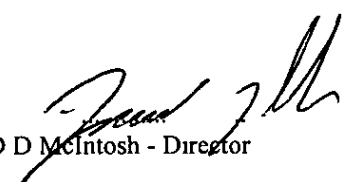
The company has no recognised gains or losses other than the profit for the current year

The notes form part of these financial statements

**FMD LIMITED****BALANCE SHEET  
30 APRIL 2007**

	Notes	2007 £	2006 £
<b>FIXED ASSETS</b>			
Investments	5	2,478,168	2,478,168
<b>CREDITORS</b>			
Amounts falling due within one year	6	<u>602,838</u>	<u>802,838</u>
<b>NET CURRENT LIABILITIES</b>		<u>(602,838)</u>	<u>(802,838)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>1,875,330</u></u>	<u><u>1,675,330</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	100	100
Profit and loss account	8	<u>1,875,230</u>	<u>1,675,230</u>
<b>SHAREHOLDERS' FUNDS</b>	11	<u><u>1,875,330</u></u>	<u><u>1,675,330</u></u>

The financial statements were approved by the Board of Directors on *29 October 2007* and were signed on its behalf by



D D McIntosh - Director

The notes form part of these financial statements



**FMD LIMITED****CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 APRIL 2007**

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		2007	2006
	Notes	£	£
Net cash outflow from operating activities	1	(200,000)	-
Returns on investments and servicing of finance	2	200,000	-
Increase in cash in the period		-	-

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**Reconciliation of net cash flow  
to movement in net debt**

	3		
Increase in cash in the period		-	-
Cash outflow from decrease in debt		200,000	-
Change in net debt resulting from cash flows		200,000	-
Movement in net debt in the period		200,000	-
Net debt at 1 May		(799,103)	(799,103)
Net debt at 30 April		(599,103)	(799,103)

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The notes form part of these financial statements

**FMD LIMITED****NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 APRIL 2007****1 RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	2007 £	2006 £
Decrease in creditors	(200,000)	-
Net cash outflow from operating activities	<u>(200,000)</u>	<u>-</u>

**2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2007 £	2006 £
Returns on investments and servicing of finance		
Dividends received	200,000	-
Net cash inflow for returns on investments and servicing of finance	<u>200,000</u>	<u>-</u>

**3 ANALYSIS OF CHANGES IN NET DEBT**

	At 1/5/06 £	Cash flow £	At 30/4/07 £
Net cash			
Cash at bank and in hand	-	-	-
Debt			
Debts falling due within one year	(799,103)	200,000	(599,103)
	<u>(799,103)</u>	<u>200,000</u>	<u>(599,103)</u>
Total	<u>(799,103)</u>	<u>200,000</u>	<u>(599,103)</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2007**

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention

**Exemption from preparing consolidated financial statements**

The financial statements contain information about FMD Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 248 of the Companies Act 1985 from the requirements to prepare consolidated financial statements

**Investments**

Fixed asset investments are stated at cost less provision for permanent diminution in value

**2 STAFF COSTS**

There were no staff costs for the year ended 30 April 2007 nor for the year ended 30 April 2006

The average monthly number of employees during the year was as follows

	2007	2006
Directors	<u>4</u>	<u>4</u>

**3 OPERATING PROFIT**

The operating profit is stated after charging

	2007 £	2006 £
Directors' emoluments	<u>-</u>	<u>-</u>

**4 TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 30 April 2007 nor for the year ended 30 April 2006

**5 FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 May 2006 and 30 April 2007	<u>2,478,168</u>
<b>NET BOOK VALUE</b>	
At 30 April 2007	<u>2,478,168</u>
At 30 April 2006	<u>2,478,168</u>

**FMD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 APRIL 2007**

**5 FIXED ASSET INVESTMENTS - continued**

The company's investments at the balance sheet date in the share capital of companies include the following

**Worldwide Magazine Distribution Limited**

Nature of business Distribution of magazines and periodicals

Class of shares	% holding	2007	2006
Ordinary	100 00	£	£
Aggregate capital and reserves		<b>587,688</b>	730,487
Profit for the year		<b>57,201</b>	204,031

**6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2007	2006
	£	£
Amounts owed to group undertakings	<b>3,735</b>	3,735
Other creditors	<b>599,103</b>	799,103
	<b>602,838</b>	802,838

Included in other creditors are loan notes of £599,103 (2006 £799,103) These loan notes are unsecured, interest free and are repayable at the discretion of the noteholders at any date up to 31 December 2010

**7 CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid			2007	2006
Number	Class	Nominal value	£	£
100	Ordinary	£1	<b>100</b>	100

The share capital consists of 30 class A shares, 30 class B shares, 30 class C shares and 10 class D shares

**8 RESERVES**

	Profit and loss account £
At 1 May 2006	1,675,230
Profit for the year	200,000
At 30 April 2007	<b>1,875,230</b>

## **FMD LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 APRIL 2007**

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#### **9 RELATED PARTY DISCLOSURES**

Messrs Arden, McIntosh, Piper and Bunting, directors of this company, are directors of Worldwide Magazine Distribution Limited, the company's wholly-owned subsidiary

Included in Creditors amounts falling due within one year is £3,735 (2006 £3,735) due to Focus Magazine Distribution, a partnership formed by Surridge Dawson Limited, Menzies Distribution Limited and Smiths News Trading Limited

Included in Creditors amounts falling due within one year is £599,103 (2006 £799,103) interest free unsecured loan notes issued to the shareholders, INdvest Limited, Surridge Dawson Limited, Menzies Distribution Limited and Smiths News Trading Limited. These loan notes are repayable at the discretion of the noteholders at any date up to 31 December 2010

#### **10 ULTIMATE CONTROLLING PARTY**

The company is controlled by Surridge Dawson Limited, Menzies Distribution Limited, Smiths News Trading Limited and INdvest Limited

#### **11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	<b>200,000</b>	-
Net addition to shareholders' funds	<b>200,000</b>	-
Opening shareholders' funds	<b>1,675,330</b>	1,675,330
Closing shareholders' funds	<b>1,875,330</b>	1,675,330