

CPD

PERRY PUBLICATIONS LIMITED
YEAR ENDED 31ST DECEMBER 1995



Davis Bonley
Registered Auditors
Annandale
West Heath Avenue
London NW11 7QU

PERRY PUBLICATIONS LIMITED

Company No. 770834

Annual Report and Financial Statements for the year ended 31st December 1995

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* These pages do not form part of the Statutory Accounts.

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PERRY PUBLICATIONS LIMITED
REPORT OF THE DIRECTORS

The Directors present their report and the financial statements for the year ended 31st December 1995.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements 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 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.

PRINCIPAL ACTIVITIES

The Company's principal activity continues to be that of publication of magazines for the business traveller and related activities.

DIRECTORS

The Directors who served during the year were:

J. Mannsperger (appointed 18/3/96)
Dr F. Stein
G.H. Perry (resigned 18/3/96)
D.H. Metzger (appointed 18/3/96)
N.A.R. Perry

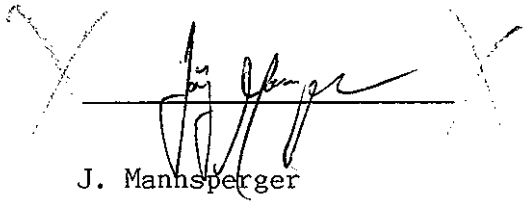
None of the Directors have a direct interest in the Share Capital of the Company.

The shareholdings of the Directors in the Parent Company, Perry Motorpress (Holdings) Ltd, are reported in that Company's Accounts.

AUDITORS

Davis Bonley will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

This report which has been prepared taking advantage of special exemptions applicable to small companies was approved by the Board on 29 March 1996 and signed on its behalf.


J. Mannsperger

Compass House
22 Redan Place
London W2 4SZ

REPORT OF THE AUDITORS
TO THE SHAREHOLDERS OF
PERRY PUBLICATIONS LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1 the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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. However the evidence available to us relating to the verification of the net realisable value of intangible assets was limited. The Directors' accounting policy of non-amortisation of intangible assets is based upon their opinion of the net realisable value. There were no other audit procedures that we could adopt to confirm that the realisable value of intangible assets is greater than cost. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

FUNDAMENTAL UNCERTAINTY

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the Company's financing arrangements. The financial statements have been prepared on a going concern basis, the validity of which depends upon the continued support of the ultimate Holding Company. The financial statements do not include any adjustments that would result from a failure of this continued support. Our opinion is not qualified in this respect.

QUALIFIED OPINION ARISING FROM LIMITATION IN AUDIT SCOPE

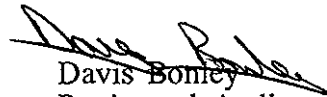
Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the net realisable value of intangible assets, in our opinion, the financial statements give a true and fair view of the state of the Company's affairs as at 31st December 1995 of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

(3)

REPORT OF THE AUDITORS
TO THE SHAREHOLDERS OF
PERRY PUBLICATIONS LIMITED

In respect alone of the limitations on our work relating to intangible assets, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

Annandale
West Heath Avenue
London NW11 7QU


Davis Bomey
Registered Auditors

16 April 1996
Date

PERRY PUBLICATIONS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1995

	<u>Notes</u>	£	<u>1994</u> £
<u>TURNOVER</u>	2	2820492	2639593
Cost of Sales		<u>1561153</u>	<u>1434973</u>
<u>GROSS PROFIT</u>		1259339	1204620
Distribution Costs		288541	323926
Administrative Expenses		<u>844606</u>	<u>908608</u>
		<u>1133147</u>	<u>1232534</u>
<u>OPERATING PROFIT/(LOSS)</u>	3	126192	(27914)
Interest Receivable		3629	2792
Interest Payable	4	<u>(27881)</u>	<u>(7103)</u>
		<u>(24252)</u>	<u>(4311)</u>
<u>PROFIT/(LOSS) on Ordinary Activities</u>		101940	(32225)
<u>RETAINED LOSS</u> b/fwd		<u>(875196)</u>	<u>(842971)</u>
<u>RETAINED LOSS</u> c/fwd		<u>(773256)</u>	<u>(875196)</u>

There were no recognised gains and losses for 1995 or 1994 other than those included in the profit and loss account.

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

PERRY PUBLICATIONS LIMITED
BALANCE SHEET
AS AT 31ST DECEMBER 1995

	<u>Notes</u>	£	<u>1994</u> £
<u>FIXED ASSETS</u>			
Intangible Assets	5	1870000	1870000
Tangible Assets	6	25451	40501
		<u>1895451</u>	<u>1910501</u>
<u>CURRENT ASSETS</u>			
Stocks	7	134904	137863
Debtors	8	944002	784198
Cash at Bank & In Hand		300	26701
		<u>1079206</u>	<u>948762</u>
<u>CREDITORS: amounts falling due within one year</u>	9	<u>2116506</u>	<u>2069016</u>
<u>NET CURRENT LIABILITIES</u>		<u>(1037300)</u>	<u>(1120254)</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		858151	790247
<u>CREDITORS: amounts falling due after more than one year</u>			
Hire & Lease Purchase	10	5997	10806
		852154	779441
<u>ACCRUALS AND DEFERRED INCOME</u>			
Deferred Subscription Income		185363	214590
		<u>666791</u>	<u>564851</u>
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	11	10000	10000
Revaluation Reserve		1430047	1430047
Profit and Loss Account		(773256)	(875196)
<u>EQUITY SHAREHOLDERS FUNDS</u>	12	<u>666791</u>	<u>564851</u>

The Directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

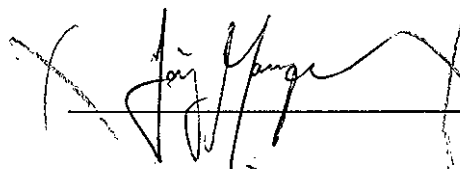
The notes on pages 7 to 11 form part of these financial statements.

(6)


PERRY PUBLICATIONS LIMITED
BALANCE SHEET CERTIFICATE
AS AT 31ST DECEMBER 1995

The Directors have taken advantage, in the preparation of these financial statements, of the special exemptions applicable to small companies on the grounds that the company qualifies as a small company by virtue of section 247 of the Companies Act 1985.

The financial statements were approved by the Board on 29 March 1996 and signed on its behalf.



Director



J. Mannsperger

PERRY PUBLICATIONS LIMITED
NOTES
YEAR ENDED 31ST DECEMBER 1995

1. ACCOUNTING POLICIES

- (a) The Accounts have been prepared under the historical cost convention, and include the results of the Company's operations which are disclosed in the Directors' Report and all of which are continuing.

The Company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

- (b) Turnover represents the invoiced amount of goods sold and services provided excluding Value Added Tax.
- (c) Subscription Income is accounted for on an accruals basis, each subscription being credited to the profit and loss account in equal instalments over the period of the subscription.
- (d) Depreciation has been provided on tangible fixed assets at rates calculated to write off the cost over the expected useful life as follows:

Short Leasehold Property	Over the unexpired term of the Lease
Furniture & Equipment	5 years
Computers	3 years
Motor Cars	3 years

- (e) Work In Progress has been valued at cost.
- (f) General Promotion Expenditure is apportioned over the life of total subscriptions received during the year.
- (g) Development expenditure relates to amounts paid in respect of the development of a new magazine and will be carried forward as an intangible asset.

Intangible assets are not depreciated as, in the opinion of the Directors, the net realisable value is greater than cost.

- (h) Deferred Taxation is provided on timing differences arising between the treatment of certain items for taxation and accounting purposes to the extent that it is probable that a liability will crystallize.
- (i) Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the Balance Sheet date.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

All exchange differences are taken to the Profit and Loss Account.

PERRY PUBLICATIONS LIMITED
NOTES CONTINUED
YEAR ENDED 31ST DECEMBER 1995

2. TURNOVER

During the year ended 31st December 1995 60% of the Company's turnover was to markets outside the United Kingdom (1994 - 60%).

3. OPERATING PROFIT/(LOSS)

is after accounting for:

	<u>1995</u> £	<u>1994</u> £
Depreciation of Tangible Fixed Assets		
- owned by the Company	9049	10208
- held under finance leases	3253	1681
Directors Remuneration	64000	62000
Directors Pension Scheme	7805	7805
Auditors Remuneration - Audit work	11000	10500
- Non-audit work	6000	7275
	<u>9049</u>	<u>10208</u>

4. INTEREST PAYABLE

Bank Overdraft and other borrowings repayable within 5 years
Interest Payable in respect of Group Undertaking
Lease Purchase interest

	16511	6847
	10548	-
	822	256
	<u>27881</u>	<u>7103</u>

5. INTANGIBLE FIXED ASSETS

	<u>Magazine</u> <u>Titles</u>	<u>Development</u> <u>Costs</u>	<u>Total</u>
<u>Cost or Valuation</u> <u>B/fwd & C/fwd</u>	<u>1500000</u>	<u>370000</u>	<u>1870000</u>
Cost or valuation comprises:-			
Cost	-	370000	370000
1989 Valuation	1500000	-	1500000
	<u>1500000</u>	<u>370000</u>	<u>1870000</u>
Historic cost of revalued assets	<u>69953</u>	<u>-</u>	<u>69953</u>

The Magazine Titles were revalued by the Directors as at 31st December 1989 to reflect the amount of expenditure incurred in developing and establishing the magazine titles, which, in the opinion of the Directors is the minimum amount of expenditure required to develop and establish magazines of this nature.

No provision has been made in these accounts in respect of taxation that would arise on the disposal of the intangible assets at their revalued figures. Had provisions been made, the appropriate amount for the Company would be £490,000.

Subsequent to the end of the year, the Company acquired a 50% interest in Business Traveller Verlag GmbH & Co KG and the cost of this investment is represented by the Development Costs as shown above.

Business Traveller Verlag GmbH & Co KG is a company incorporated in The Federal Republic of Germany whose principal activity is the publication of a German edition of Business Traveller Magazine.

PERRY PUBLICATIONS LIMITED
NOTES CONTINUED
YEAR ENDED 31ST DECEMBER 1995

6. TANGIBLE FIXED ASSETS

	<u>B/fwd</u>	<u>At Cost</u> <u>Additions</u> <u>(Sales)</u>	<u>B/fwd</u>	<u>Depreciation</u> <u>Current</u>	<u>£</u>	<u>1994</u> <u>£</u>
Furniture, Equipment & Computers	208442	2418	188113	9049	13698	20329
Motor Cars - On Hand	27920	-	9441	6726	11753	18479
- Sold	30437	(5166)	28744	(3473)	-	1693
	<u>266799</u>	<u>(2748)</u>	<u>226298</u>	<u>12302</u>	<u>25451</u>	<u>40501</u>

Included above are motor cars held under finance leases amounting to £11753.

	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
7. <u>STOCKS</u>		
Work in Progress	<u>134904</u>	<u>137863</u>
8. <u>DEBTORS</u>		
Trade Debtors	690873	650355
Prepayments	103908	14201
Other Debtors	149221	111567
Amounts owed by Group Companies	-	8075
	<u>944002</u>	<u>784198</u>
9. <u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>		
Trade Creditors	234536	350152
Hire Purchase and Leasing commitments - Current Portion	4292	11358
Social Security and Other Taxes	15978	13668
Accruals	54853	251170
Other Creditors	27026	97152
Amounts owed to Group Companies	1686246	1345516
	<u>2022931</u>	<u>2069016</u>
Bank Overdraft	93575	-
	<u>2116506</u>	<u>2069016</u>

PERRY PUBLICATIONS LIMITED
NOTES CONTINUED
YEAR ENDED 31ST DECEMBER 1995

	<u>1995</u> £	<u>1994</u> £
10. OBLIGATIONS UNDER HIRE AND LEASE PURCHASE CONTRACTS		
Amount due within one year	5521	12992
Amount due between two and five years	7436	13474
	<u>12957</u>	<u>26466</u>
Less: Finance charges allocated to future periods	2668	4302
	<u>10289</u>	<u>22164</u>
Current obligations	4292	11358
Non-current obligations	5997	10806
	<u>10289</u>	<u>22164</u>
11. SHARE CAPITAL		
Authorised - Ordinary Shares of £1 each	<u>100000</u>	<u>100000</u>
Allotted, Issued and Fully Paid - Ordinary Shares of £1 each	<u>10000</u>	<u>10000</u>
12. EQUITY SHAREHOLDERS FUNDS		
Profit/(Loss) for the year	101940	(32225)
Opening Shareholders Funds	<u>564851</u>	<u>597076</u>
Closing Shareholders Funds	<u>666791</u>	<u>564851</u>
13. PENSION COMMITMENTS		
The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions paid by the Company to the fund and amounted to £7805 (1994 - £7,805).		
14. OTHER COMMITMENTS		
As at 31st December 1995 the Company had annual commitments under non-cancellable operating leases as follows:		
	<u>Land and Buildings</u> <u>1995</u> \$	<u>1994</u> \$
Expiring after 5 years	<u>34440</u>	<u>34440</u>

PERRY PUBLICATIONS LIMITED
NOTES CONTINUED
YEAR ENDED 31ST DECEMBER 1995

15. ULTIMATE HOLDING COMPANY

The Company's parent Company is Perry Motorpress (Holdings) Ltd, a Company registered in England.

The Company's ultimate Holding Company is Motor-Presse International Verlagsgesellschaft Holding mbH, a Company incorporated in The Federal Republic of Germany.