

BIG MAGAZINES LIMITED
REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1995



BIG MAGAZINES LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1995

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BIG MAGAZINES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors

Mr. M.S. Ellice
Mr. P.M. Ashford

Secretary

Mr. S.Smith

Company Number

2734618 (England)

Auditors

Price Waterhouse
Southwark Towers
32 London Bridge Street
London SE1 9SY

Bankers

National Westminster Bank Plc
19 Shaftesbury Avenue
London W1A 4QQ

Registered Office

11 Lanark Square
Glengall Bridge
London E14 9RE

BIG MAGAZINES LIMITED

Directors' Report

The directors submit their report and financial statements for the year ended June 30 1995.

Activities

The company's principal activity during the year was that of publishing. At the close of business on 30 June 1995 the company sold its trade and assets to a group company. It is not the company's intention to resume trading.

Results and Dividends

The trading loss before tax for the year amounted to £712,089 (1994 : loss - £878,921).
The directors do not recommend the payment of a dividend (1994 - Nil).

Directors

The present membership of the board is set out on page 2. Mr.H.Northwood served throughout the year ended 30 June 1995, resigning on 1 September 1995. Mr. M.S.Ellice and Mr. P.M.Ashford were appointed as directors on 1 September 1995.

None of the above directors had an interest in the share capital of the company or the parent company as at 30 June 1994 and 30 June 1995.

Close Company

It is the opinion of the directors that the company is a close company under the provisions of the Income & Corporation Taxes Act 1988 .

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial period 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 ;
- state whether applicable accounting standards have been followed , subject to any material departures disclosed and explained in the financial statements ;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business ;

BIG MAGAZINES LIMITED

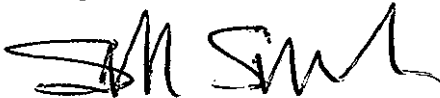
Directors' Report (continued)

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. The directors 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.

Auditors

Price Waterhouse, Chartered Accountants and Registered Auditors have expressed their willingness to continue in office and offer themselves for re-election in accordance with section 385 of the Companies Act 1985.

Approved by the Board
and signed on behalf of the Board



Mr. S. Smith
Secretary

Dated : 24/04/96

REPORT OF THE AUDITORS
TO THE MEMBERS OF
BIG MAGAZINES LIMITED

We have audited the financial statements on pages 6 to 11 which have been prepared under the historical cost convention and the accounting policies on page 8.

Respective Responsibilities of Directors and Auditors

As described on pages 3 to 4, the company's directors are responsible for the preparation of the 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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 June 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

PRICE WATERHOUSE
Chartered Accountants and
Registered Auditors

Dated : *22 April 1996*

BIG MAGAZINES LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 30 June 1995

	<u>Note</u>	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Turnover	2	6,185,749	5,487,341
Cost of sales		<u>3,610,510</u>	<u>2,800,104</u>
GROSS PROFIT		<u>2,575,239</u>	<u>2,687,237</u>
 Distribution costs		 627,357	 151,398
Administration expenses		<u>2,824,711</u>	<u>3,485,613</u>
		<u>3,452,068</u>	<u>3,637,011</u>
 OPERATING LOSS		 (876,829)	 (949,774)
 Interest receivable and similar income	3	 622,127	 176,514
Interest payable and similar charges	4	<u>(457,387)</u>	<u>(105,661)</u>
 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	5	 (712,089)	 (878,921)
 Tax on loss on ordinary activities	7	 <u>-</u>	 <u>-</u>
 LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		 (712,089)	 (878,921)
 Retained loss brought forward		 <u>(878,921)</u>	 <u>-</u>
 Retained loss carried forward		<u><u>(1,591,010)</u></u>	<u><u>(878,921)</u></u>

The whole of the turnover and operating loss is attributable to continuing operations.

The company had no recognised gains or losses for the year other than its retained loss of £712,089 (1994 : loss - £878,921).

There were no differences between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis.

The notes on pages 8 to 11 form part of these accounts.

BIG MAGAZINES LIMITED

BALANCE SHEET

As at 30 June 1995

	<u>Note</u>	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
FIXED ASSETS			
Intangible assets		-	370
Investments	8	<u>69,770</u>	<u>69,770</u>
		<u>69,770</u>	<u>70,140</u>
CURRENT ASSETS			
Stocks	9	-	66,831
Debtors	10	<u>-</u>	<u>4,889,738</u>
		-	4,956,569
CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR	11	<u>(1,591,008)</u>	<u>(5,835,858)</u>
NET CURRENT LIABILITIES		<u>(1,591,008)</u>	<u>(879,289)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>(1,521,238)</u></u>	<u><u>(809,149)</u></u>
CAPITAL AND RESERVES			
Called up share capital	12	69,772	69,772
Profit and loss account		<u>(1,591,010)</u>	<u>(878,921)</u>
		<u><u>(1,521,238)</u></u>	<u><u>(809,149)</u></u>

Approved by the Board of Directors


Mr. M.S. Ellice

24/4/96
Dated

The notes on pages 8 to 11 form part of these accounts.

BIG MAGAZINES LIMITED
NOTES TO THE ACCOUNTS
Year ended 30 June 1995

1. ACCOUNTING POLICIES

(a) Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards .

(b) Foreign currencies

Transactions in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions . Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date . Translation differences are dealt with in the profit and loss account .

(c) Depreciation

No depreciation is provided on intangible assets, which are wholly comprised of trademarks, as it is considered that their useful lives are not limited.

(d) Investments

Investments held as fixed assets are stated at cost less provision for permanent diminution in value .

(e) Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items .

(f) Deferred taxation

Deferred tax is provided where in the opinion of the directors it is probable that the asset or liability will crystallise in the future .

(g) Turnover

Turnover represents the invoiced amount of goods sold and services provided (stated net of Value Added Tax).

2. TURNOVER

Turnover and loss before tax is attributable to the one principal activity of the company .

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Other interest	<u>622,127</u>	<u>176,514</u>

BIG MAGAZINES LIMITED

NOTES TO THE ACCOUNTS (continued)

Year ended 30 June 1995

4. INTEREST PAYABLE AND SIMILAR CHARGES	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Bank loans, overdrafts, and other loans wholly repayable within five years	<u>457,387</u>	<u>105,661</u>
5. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Loss on ordinary activities before taxation is stated after charging :		
Auditors' remuneration	<u>1,999</u>	<u>2,000</u>
6. INFORMATION REGARDING DIRECTORS AND EMPLOYEE	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Director's emoluments :	<u>-</u>	<u>-</u>
Employee costs during the year :	<u>£</u>	<u>£</u>
Wages and salaries	269,049	29,370
Social security costs	<u>27,663</u>	<u>3,904</u>
	<u>296,712</u>	<u>33,274</u>
Average number of people employed :	<u>No.</u>	<u>No.</u>
Office and management (excluding directors)	<u>2</u>	<u>2</u>
7. TAX ON LOSS ON ORDINARY ACTIVITIES	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
UK corporation tax at 33% based on the loss for the period	<u>-</u>	<u>-</u>

BIG MAGAZINES LIMITED

NOTES TO THE ACCOUNTS (continued)

Year ended 30 June 1995

8. FIXED ASSET INVESTMENTS

	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Investment in subsidiary	<u>69,770</u>	<u>69,770</u>

The investment comprises the ownership of 100% of the ordinary share capital of Portland Magazines Limited, a company registered in England.

9. STOCKS

	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Raw materials and consumables	-	7,745
Goods for resale	-	59,086
	<u>-</u>	<u>66,831</u>

10. DEBTORS

	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Trade debtors	-	41,399
Other debtors	-	4,506,150
Amounts owed by group company	-	265,125
Prepayments and accrued income	-	77,064
	<u>-</u>	<u>4,889,738</u>

**11. CREDITORS : AMOUNTS FALLING DUE WITHIN
ONE YEAR**

	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Bank overdraft	-	50,061
Trade creditors	-	32,572
Amounts owed to group company	1,591,008	20,010
Other creditors and accruals	-	5,581,877
Accruals and deferred income	-	151,338
	<u>1,591,008</u>	<u>5,835,858</u>

12. SHARE CAPITAL

	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Ordinary £1 shares : Authorised	<u>300,000</u>	<u>300,000</u>
Allotted, called up and fully paid	<u>69,772</u>	<u>69,772</u>

BIG MAGAZINES LIMITED

NOTES TO THE ACCOUNTS (continued)

Year ended 30 June 1995

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1995</u>	<u>1994</u>
	£	£
Opening shareholders' funds	(809,149)	69,772
Loss for the financial year	<u>(712,089)</u>	<u>(878,921)</u>
Closing shareholders' funds	<u><u>(1,521,238)</u></u>	<u><u>(809,149)</u></u>

14. PARENT COMPANY

The company is a wholly owned subsidiary of Portland Investments Limited, a company incorporated in England. Copies of Portland Investments Limited financial statements can be obtained from :
11 Lanark Square, Glengall Bridge, London E14 9RE.

The company has received assurances from its parent company that it will be provided with the funds necessary to meet its liabilities as they fall due.

15. CASHFLOW STATEMENT

Portland Investments Limited prepares and files a consolidated cashflow statement which includes the cashflows of the company. The company has therefore relied on the exemption provided by FRS1 from preparing its own cashflow statement.