

Registration Number 2375310

Anness Publishing Limited

Directors' Report
and
Abbreviated Financial Statements

for the year ended 31 August 1995



Anness Publishing Limited

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Anness Publishing Limited

Directors' Report for the year ended 31 August 1995

The directors present their report and the financial statements for the year ended 31 August 1995.

Principal Activity and Review of the Business

The principal activity of the company remained that of publishing and editing services both in the United Kingdom and overseas.

The company continues to show increased market share together with enhanced profitability.

Results And Dividends

The results for the year are set out on page 5.

The directors do not recommend payment of a dividend.

It is proposed that the retained profit of £286,201 is transferred to reserves.

Fixed Assets

Full disclosure of all matters relating to fixed assets are set out in notes 8 to 9 of the financial statements.

Directors and their Interests

The directors who served during the year and their interests in the company are as stated below:

	Class of share	Number of shares	
		1995	1994
Mr P Anness	£1 Ordinary shares	900	975
Ms J Lorenz	£1 Ordinary shares	100	25

Charitable and Political Contributions

During the year the company contributed £291 to charities.

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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.

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Anness Publishing Limited

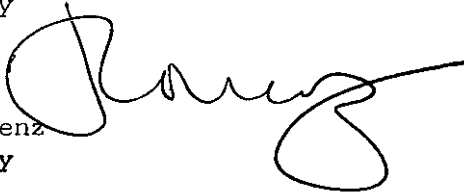
**Directors' Report
for the year ended 31 August 1995**

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Michael Leong and Company be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 24 September 1996 and signed on its behalf by

Ms J Lorenz
Secretary

A handwritten signature in black ink, appearing to be 'J Lorenz', written over the printed name of the Secretary.

Anness Publishing Limited
Auditors' Report to the Shareholders of Anness Publishing Limited

We have audited the financial statements on pages 5 to 16 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

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

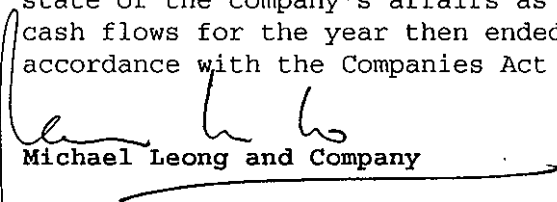
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and 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 the company's affairs as at the 31 August 1995 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Michael Leong and Company

Chartered Accountants and
Registered Auditor

43 Overstone Road
London W6 0AD

24 September 1996

**Auditors' Report to the Directors of Anness Publishing Limited
pursuant to Section 248(3) of the Companies Act 1985**

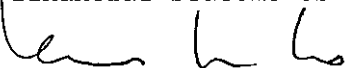
We have examined the financial statements of the company and each of its subsidiaries for the year ended 31 August 1995.

Basis of opinion

The scope of this work for the purpose of this report was limited to confirming that the company is entitled to exemption from preparing group financial statements.

Opinion

In our opinion, the company is entitled to the exemption from preparing group financial statements conferred by Section 248 of the Companies Act 1985.



Michael Leong and Company

Chartered Accountants and
Registered Auditor

43 Overstone Road
London W6 0AD

24 September 1996

Anness Publishing Limited

**Profit and Loss Account
for the year ended 31 August 1995**

		Continuing operations	
		1995	1994
	Notes	£	£
Gross profit		1,445,799	777,735
Distribution costs		(661,204)	(321,766)
Administrative expenses		(337,063)	(191,984)
Operating profit	2	447,532	263,985
Interest receivable and similar income	3	39,011	2,975
Interest payable and similar charges	4	(118,571)	(16,513)
Profit on ordinary activities before taxation		367,972	250,447
Tax on profit on ordinary activities	7	(81,771)	(46,607)
Retained profit for the year		286,201	203,840
Retained profit brought forward		493,702	289,862
Retained profit carried forward		779,903	493,702

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 8 to 16 form an integral part of these financial statements.

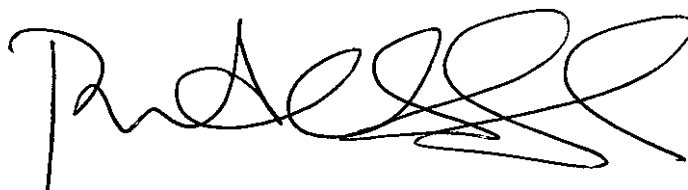
Anness Publishing Limited

**Balance Sheet
as at 31 August 1995**

	Notes	1995 £	1994 £
Fixed Assets			
Tangible assets	8	19,621	13,159
Investments	9	5,437	-
		<u>25,058</u>	<u>13,159</u>
Current Assets			
Stocks and WIP	10	2,439,469	1,165,837
Debtors	11	4,278,244	2,714,078
Cash at bank and in hand		788,434	448,773
		<u>7,506,147</u>	<u>4,328,688</u>
Creditors: amounts falling due within one year	12	<u>(6,750,302)</u>	<u>(3,847,145)</u>
Net Current Assets		<u>755,845</u>	<u>481,543</u>
Total Assets Less Current Liabilities		<u><u>780,903</u></u>	<u><u>494,702</u></u>
Capital and Reserves			
Called up share capital	13	1,000	1,000
Profit and loss account		779,903	493,702
Equity Shareholders' Funds	14	<u><u>780,903</u></u>	<u><u>494,702</u></u>

The financial statements were approved by the Board on 24 September 1996 and signed on its behalf by

Mr P Anness
Director



The notes on pages 8 to 16 form an integral part of these financial statements.

Anness Publishing Limited

**Cash Flow Statement
for the year ended 31 August 1995**

	Notes	1995		1994	
		£	£	£	£
Net cash outflow from operating activities	15		(203,042)		(119,442)
Returns on investments and servicing of finance					
Interest received		24,818		2,975	
Interest paid		<u>(118,571)</u>		<u>(16,513)</u>	
Net cash inflow from return on investments and servicing of finance			(93,753)		(13,538)
Taxation					
Corporation tax paid (including Advance Corporation Tax)		<u>(64,752)</u>		<u>-</u>	
Tax repaid			(64,752)		-
Investing activities					
Payments to acquire tangible assets		(11,412)		(15,882)	
Payments to acquire investments		<u>(5,437)</u>		<u>-</u>	
Net cash outflow from investing activities			(16,849)		(15,882)
Net cash outflow before financing			(378,396)		(148,862)
Financing					
Capital element of hire purchase contracts		<u>259</u>		<u>(1,009)</u>	
Net cash inflow from financing			259		(1,009)
Decrease in cash and cash equivalents	17		<u>(378,137)</u>		<u>(149,871)</u>

The notes on pages 8 to 16 form an integral part of these financial statements.

Anness Publishing Limited

**Notes to the Financial Statements
for the year ended 31 August 1995**

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has consistently applied all relevant accounting standards.

1.2 Turnover

Turnover represents amounts receivable for goods and services provided to customers, from the publishing projects undertaken by the company, excluding VAT, during the year.

1.3 Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	- 25.00% Straight Line
Motor vehicles	- 33.33% Straight Line
Computer equipment	- 50.00% Straight Line

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

1.5 Investments

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

1.6 Stock and work in progress

Work in progress comprise of direct development expenditure, excluding printing costs, incurred on titles owned by the company. Development costs are written off to the profit and loss account so as to provide a reasonable matching of revenue and costs in each accounting period.

1.7 Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year in accordance with SSAP 24.

Anness Publishing Limited

**Notes to the Financial Statements
for the year ended 31 August 1995**

1.8 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

1.10 Consolidated accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts.

2. Operating profit

	1995	1994
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	4,840	12,198
Loss on disposal of tangible fixed assets	110	-
Hire of plant and machinery	6,306	-
Auditors' remuneration	8,500	5,000
	<u> </u>	<u> </u>
and after crediting:		
Profit on foreign currencies	60,208	57,134
	<u> </u>	<u> </u>

3. Interest receivable and similar income

	1995	1994
	£	£
Bank interest	39,011	2,975
	<u> </u>	<u> </u>

Anness Publishing Limited

**Notes to the Financial Statements
for the year ended 31 August 1995**

4. Interest payable and similar charges	1995	1994
	£	£
On bank loans and overdrafts	117,130	15,732
Hire purchase interest	255	781
On overdue tax	1,186	-
	<u>118,571</u>	<u>16,513</u>

5. Employees

Number of employees

The average weekly numbers of employees (including the directors) during the year were:

	1995	1994
	Number	Number
Servicing	18	8
Selling	5	2
Administration	3	1
	<u>26</u>	<u>11</u>

Employment costs

	1995	1994
	£	£
Wages and salaries	515,726	236,045
Social security costs	52,168	25,451
Other pension costs	14,125	8,287
	<u>582,019</u>	<u>269,783</u>

Anness Publishing Limited

**Notes to the Financial Statements
for the year ended 31 August 1995**

5.1 Directors' emoluments

	1995	1994
	£	£
Remuneration		
Directors' emoluments	80,353	29,771
	<u> </u>	<u> </u>
Other directors' emoluments (excluding pension contributions) were in the following ranges:		
	Number	Number
£25,001 - £30,000	-	1
£30,001 - £35,000	1	-
£45,001 - £50,000	1	-
	<u> </u>	<u> </u>

6. Pension costs

The company operates a defined contribution scheme. During the year the company contributed £14125 (1994 - £8287).

7. Taxation

	1995	1994
	£	£
UK current year taxation		
UK Corporation Tax at 26% (1994 - 25%)	81,786	46,607
	<u> </u>	<u> </u>
	81,786	46,607
Prior years		
UK Corporation Tax	(15)	-
	<u> </u>	<u> </u>
	81,771	46,607
	<u> </u>	<u> </u>

Anness Publishing Limited

**Notes to the Financial Statements
for the year ended 31 August 1995**

8. Tangible assets

	Fixtures, fittings & equipment	Motor vehicles	Computer equipment	Total
	£	£	£	£
Cost				
At 1 September 1994	29,458	5,397	5,925	40,780
Additions	4,018	2,500	4,894	11,412
Disposals	(135)	-	-	(135)
At 31 August 1995	33,341	7,897	10,819	52,057
Depreciation				
At 1 September 1994	20,348	1,349	5,924	27,621
On disposals	(25)	-	-	(25)
Charge for the year	3,973	1,360	(493)	4,840
At 31 August 1995	24,296	2,709	5,431	32,436
Net book values				
At 31 August 1995	9,045	5,188	5,388	19,621
At 31 August 1994	9,110	4,048	1	13,159

Included above are assets held under finance leases or hire purchase contracts as follows:

	1995		1994	
Asset description	Net book value	Depreciation charge	Net book value	Depreciation charge
	£	£	£	£
Fixtures, fittings and equipment	1	1,624	1,625	1,625
	1	1,624	1,625	1,625

Anness Publishing Limited

**Notes to the Financial Statements
for the year ended 31 August 1995**

9. Investments

	Subsidiary Undertakings Shares	Other Unlisted Investments	Total
	£	£	£
Cost			
Additions	437	5,000	5,437
At 31 August 1995	<u>437</u>	<u>5,000</u>	<u>5,437</u>
Net book values			
At 31 August 1995	<u><u>437</u></u>	<u><u>5,000</u></u>	<u><u>5,437</u></u>

9.1 Holdings 10% or more

The company holds 10% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class %
Subsidiary undertaking		
Anness Publishing Pty Limited	Australia	Ordinary 90%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
	£	£
Anness Publishing Pty Limited	12,690	12,205

10. Stocks and work in progress

	1995 £	1994 £
Stocks (incl work in progress 1995:£ 946330/ 1994:£ 528257)	<u><u>2,439,469</u></u>	<u><u>1,165,837</u></u>

Anness Publishing Limited

**Notes to the Financial Statements
for the year ended 31 August 1995**

11. Debtors

	1995	1994
	£	£
Trade debtors	3,671,303	2,660,468
Amounts owed by group undertakings	287,385	-
Other debtors	89,334	46,090
Prepayments and accrued income	230,222	7,520
	<u>4,278,244</u>	<u>2,714,078</u>

**12. Creditors: amounts falling due
within one year**

	1995	1994
	£	£
Bank overdraft	1,448,801	731,003
Net obligations under finance leases and hire purchase contracts	-	927
Trade creditors	4,853,551	2,953,008
Corporation tax	128,216	110,011
Other taxes and social security costs	20,398	10,043
Directors' accounts	-	4,499
Other creditors	75	-
Accruals and deferred income	299,261	37,654
	<u>6,750,302</u>	<u>3,847,145</u>

The bank overdraft is secured by Nat West Life Assurance dated 2.9.93, Gresham Life Assurance Policy dated 22.6.92 and a mortgage debenture dated 27.1.92

13. Share capital

	1995	1994
	£	£
Authorised equity		
1,000 Ordinary Shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid equity		
1,000 Ordinary Shares of £1 each	1,000	500
0 Ordinary Class B Shares of £1 each	-	500
	<u>1,000</u>	<u>1,000</u>

During the year the Class B ordinary shares were converted to rank pari-passu with the existing Class A ordinary shares.

Anness Publishing Limited

Notes to the Financial Statements
for the year ended 31 August 1995

14. Reconciliation of movements in shareholders' funds

	1995 £	1994 £
Profit for the year	286,201	203,840
Opening shareholders' funds	494,702	290,862
	<u>780,903</u>	<u>494,702</u>

15. Reconciliation of operating profit to net cash outflow from operating activities

	1995 £	1994 £
Operating profit	447,532	263,985
Depreciation	4,950	12,198
(Increase) in stocks	(1,273,632)	(920,187)
(Increase) in debtors	(1,549,973)	(989,741)
Increase in creditors	2,168,081	1,514,303
Net cash outflow from operating activities	<u>(203,042)</u>	<u>(119,442)</u>

16. Analysis of changes in cash and cash equivalents during the year

	1995 £	1994 £
Balance as at 1 September 1994	(282,230)	(132,359)
Net cash outflow	(378,137)	(149,871)
Balance as at 31 August 1995	<u>(660,367)</u>	<u>(282,230)</u>

17. Cash and cash equivalents as shown in the Balance Sheet

	1995 £	1994 £	Change in year £	Change in comparative year £
Cash at bank and in hand	788,434	448,773	339,661	361,792
Bank overdrafts and loans	(1,448,801)	(731,003)	(717,798)	(511,663)
	<u>(660,367)</u>	<u>(282,230)</u>	<u>(378,137)</u>	<u>(149,871)</u>

Anness Publishing Limited

Notes to the Financial Statements
for the year ended 31 August 1995

18. Analysis of changes in financing
during the year

	Opening balance	Net cash inflow from financing	Closing balance
	£	£	£
Ordinary share capital	1,000	-	1,000
Hire purchase contracts	927	(927)	-
Total: current year	<u>1,927</u>	<u>(927)</u>	<u>1,000</u>