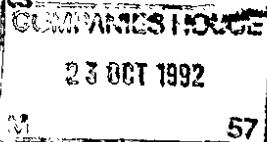


14.  
MIDSUMMER BOOKS LIMITED  
ACCOUNTS  
31ST DECEMBER 1991  
COMPANY NO: 1345171

JEAT THORN & PARTNERS  
43 CANNON LANE  
PINNER  
MIDDLESEX HA5 1HN  
081 868 2824



**MIDSUMMER BOOKS LIMITED  
REPORT AND ACCOUNTS  
31ST DECEMBER 1991**

**COMPANY NO: 1345171**

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MIDSUMMER BOOKS LIMITED  
REPORT AND ACCOUNTS  
31ST DECEMBER 1991

COMPANY NO: 1345171

Directors:

S.O. Morse  
A.L.S. Lawrence  
M.D. Edwards

Secretary:

S.O. Morse

Registered Office:

179 Dalling Road  
LONDON W6 OES

Auditors:

Leat Thorn & Partners  
Chartered Accountants and  
Registered Auditor  
45 Cannon Lane  
PINNER  
MIDDLESEX HA5 1HN

**MIDSUMMER BOOKS LIMITED  
REPORT OF THE DIRECTORS  
31ST DECEMBER 1991**

**COMPANY NO: 1345171**

The Directors present the accounts of the Company for the year ended 31st December 1991.

**ACTIVITY**

The principal activity of the Company is general publishing. It also provides management services to other publishing organisations.

**RESULTS AND REVIEW OF THE BUSINESS**

The Directors report the results of the year's trading on page 6 of these accounts. The Directors are unable to express an opinion as to the future results for the year to 31st December 1992.

**DIVIDENDS**

The Directors do not recommend the payment of a dividend for the year (1990 £Nil)

**DIRECTORS**

The Directors who served during the year and the beneficial interests in the shares of the Company of those serving at the end of the year were as follows:

	£1 Ordinary Shares Beneficial Shareholding 31st December	
	1991	1990
S.O. Morse	2	2
M.D. Edwards	-	-
A.L.S. Lawrence	-	-

In accordance with the Articles of Association S.O. Morse retires and being eligible offers himself for re-election.

During the year the Company had transactions, on an arm's length commercial basis, with Connected Companies where the majority shareholder, Mr. Morse, also has beneficial controlling share interest.

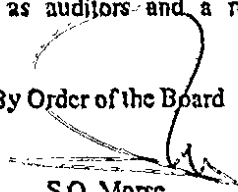
**CLOSE COMPANY**

So far as the Directors are aware, the Company falls within the meaning of a "Close Company" as defined by the Income and Corporation Taxes Act 1988.

**AUDITORS**

Leat Thorn & Partners have expressed their willingness to continue as auditors and a resolution for their re-appointment will be proposed at the forthcoming annual general meeting.

By Order of the Board

  
S.O. Morse  
Secretary

179 Dalling Road,  
LONDON W6 0ES

Dated: 19th October 1992

REPORT OF THE AUDITORS  
TO THE MEMBERS OF MIDSUMMER BOOKS LIMITED

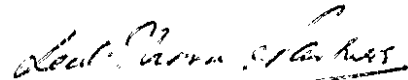
COMPANY NO: 1345171

We have audited the financial statements on pages 5 to 11 in accordance with auditing standards.

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31st December 1991 and of its loss and source and application of funds for the year then ended and have been prepared in accordance with the Companies Act 1985.

45 Cannon Lane  
PINNER  
MIDDLESEX HA5 1HN

Dated: 19th October 1992



Leat Thorn & Partners  
Chartered Accountants  
and Registered Auditor

MIDSUMMER BOOKS LIMITED  
BALANCE SHEET  
AS AT 31ST DECEMBER 1991

COMPANY NO: 1345171

	NOTES	1991 £	1991 £	1990 £	1990 £
FIXED ASSETS	2		211,094		218,112
CURRENT ASSETS					
Connected Companies	3	-		78,986	
Stock	4	4		4	
Debtors	5	17,683		9,292	
Cash at Banks and in Hand		1,665		467	
		19,352		88,749	
CREDITORS					
Amounts falling due within one year	6	98,690		167,379	
Connected Companies	3	5,455		-	
		104,145		167,379	
			(84,793)		(78,630)
TOTAL ASSETS LESS CURRENT LIABILITIES			126,301		139,482
CREDITORS					
Amounts falling d.e after one year	7		93,883		98,526
			32,418		40,956
CAPITAL AND RESERVES					
Called up Share Capital	8		2		2
Profit and Loss Account	9		32,416		40,954
			32,418		40,956

Approved by the board of Directors on 19th October 1992.

S.O. Morse

A.L.S. Lawrence

The Notes On Pages 8 To 11 Form Part Of These Accounts

**MIDSUMMER BOOKS LIMITED  
PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST DECEMBER 1991**

**COMPANY NO: 13451/71**

	NOTES	1991 £	1991 £	1990 £	1990 £
TURNOVER	10		725,804		619,554
Direct Costs			407,934		323,711
			317,870		295,843
Administration		144,422		104,899	
Other operating Expenses		174,092		174,292	
			318,514		279,191
OPERATING (LOSS)/PROFIT	11		(644)		16,652
OTHER OPERATING INCOME	14		31		1,000
(LOSS)/PROFIT ON ORDINARY ACTIVITIES, BEFORE TAXATION			(613)		17,652
Tax on (loss)/profit on ordinary activities	15		7,925		11,118
RETAINED (LOSS)/PROFIT ON ORDINARY ACTIVITIES, AFTER TAXATION			(8,538)		6,534

**The Notes On Pages 8 To 11 Form Part Of These Accounts**

**MIDSUMMER BOOKS LIMITED  
SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED 31ST DECEMBER 1991**

**COMPANY NO: 1345171**

	1991 £ -----	1991 £ -----	1990 £ -----	1990 £ -----
(Loss)/Profit on ordinary activities, before taxation		(613)		17,652
Adjustment for items not involving movement of funds:				
Depreciation		35,327 -----		34,677 -----
		34,714		52,329
<b>OTHER SOURCES</b>		- -----		- -----
		34,714		52,329
<b>APPLICATION OF FUNDS</b>				
Purchase of Fixed Asset	28,309		151,366	
Taxation Paid	4,260		14,218	
Dividends	- -----		15,000 -----	
		32,569 -----		180,584 -----
		2,145		(128,255)
<b>(INCREASE)/DECREASE IN WORKING CAPITAL</b>				
Connected Companies	84,440		(65,620)	
Stock	-		-	
Debtors	(8,391)		(340)	
Creditors	(29,397) -----		122,863 -----	
		46,652 -----		56,903 -----
<b>Increase/(Decrease) in Cash Balances</b>		48,797 =====		(71,352) =====

**The Notes On Pages 8 To 11 Form Part Of These Accounts**



MIDSUMMER BOOKS LIMITED  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 1991

COMPANY NO: 1345171

1. Accounting Policies

1.1 Basis of Accounting - The accounts have been prepared under the historical cost convention where the books of the Company are under the direct supervision and control of the Directors.

1.2 Depreciation is being charged so as to write off the cost of the assets over their anticipated useful lives.

Long Leasehold Property	4% p.a on cost
Short Leasehold Property	Term of lease
Motor Vehicle	25% p.a. on net book amount
Furniture and Fittings	25% p.a. on net book amount

1.3 Deferred Production Costs, Work In Progress and Stock are valued by the Managing Director at the lower of cost and net realisable value.

1.4 Taxation - The charge for taxation is based on the profit for the year. No provision for deferred taxation, because of timing differences between the treatment of certain items for accounting and taxation purposes, is considered necessary.

1.5 Turnover represents the total of income receivable by the Company, exclusive of value added tax.

2. Fixed Assets

	Long Leasehold Property (Secured) (Note 7) £	Short Leasehold Property (Secured) (Note 7) £	Motor Vehicle £	Furniture and Equipment £	Total £
	-----	-----	-----	-----	-----
Cost:					
1st January 1991	105,074	71,499	17,444	113,583	307,600
Purchases in year	-	-	-	28,309	28,309
	-----	-----	-----	-----	-----
	105,074	71,499	17,444	141,892	335,909
	-----	-----	-----	-----	-----
Depreciation:					
1st January 1991	4,202	31,383	7,632	46,271	89,488
Charge for year	4,203	4,766	2,453	23,905	35,327
	-----	-----	-----	-----	-----
	8,405	36,149	10,085	70,176	124,815
	-----	-----	-----	-----	-----
Net Book Amounts at:					
31st December 1991	96,669	35,350	7,359	71,716	211,094
	=====	=====	=====	=====	=====
31st December 1990	100,872	40,116	9,812	67,312	218,112
	=====	=====	=====	=====	=====

2.2 The Company has an interest in the Long Leasehold Property to the extent of one quarter as a tenant in common and the costs represent one quarter of the total.

The Notes On Pages 8 To 11 Form Part Of These Accounts

MIDSUMMER BOOKS LIMITED  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 1991  
(Continued)

COMPANY NO: 1345171

3. Connected Companies

3.1 The definition "Connected Company(ies)" in the Accounts is used where the controlling shareholder of the Company is also the controlling shareholder of the Connected Company(ies).

	1991 £	1990 £
3.2 Balance due from Connected Companies	-	78,986
Balance due to Connected Companies	5,455	-
Net due from/(to) Connected Companies	(5,455)	78,986

4. Stock

Work in Progress	4	4
------------------	---	---

5. Debtors

Trade Debtors	76	1,380
Other Debtors and Prepayments	17,607	7,912
	17,683	9,292

6. Creditors falling due within one year

Bank Overdraft	6,296	53,895
Social Security and other taxes	42,594	52,346
Trade Creditors	17,305	23,017
Sundry Creditors	18,573	10,051
Member's Loan Account	655	18,470
Taxation	13,267	9,600
	98,690	167,379

7. Creditors falling due after one year

Mortgage Loan - secured	73,471	74,375
Bank Loan - secured	20,412	24,151
	93,883	98,526

The mortgage loan is secured by a charge on the Long Leaschold Property. The Bank Loan is secured by a second charge on the Long Leaschold Property and by cross composite guarantees between the Connected Companies (see note 3).

The Notes On Pages 8 To 11 Form Part Of These Accounts

MIDSUMMER BOOKS LIMITED  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 1991  
(Continued)

COMPANY NO: 1345171

	1991 £ -----	1990 £ -----
<u>8.Share Capital</u>		
Authorised		
100 Ordinary Shares of £1 each	100 ===	100 ===
Issued and fully paid		
2 Ordinary Shares of £1 each	2 ===	2 ===
<u>9.Profit and Loss Account</u>		
As at 1st January	40,954	34,420
Retained (Loss)/Profit for the year	(8,538) ----- 32,416 =====	6,534 ----- 40,954 =====

10.Turnover

The turnover is attributable to the principal activities of the Company, carried on in the United Kingdom.

11.Operating Profit

The operating profit is stated after charging:

Bank Interest	1,054	1,902
Loan Interest	14,813	4,167
Directors' Emoluments (Note 12)	87,799	109,527
Staff Costs, including Directors (Note 13)	494,923	414,897
Depreciation	35,327	34,677
Auditors' Remuneration	3,000	2,000
	=====	=====

12.Directors' Emoluments

Directors' Remuneration	75,000	95,000
Social Security Costs	7,799	9,927
Pension Costs	5,000	5,000
	----- 87,799 =====	----- 109,927 =====

The number of Directors whose emoluments fell within the bands stated are:

£0 to £5,000	2	2
£70,000 to £75,000	1	-
£90,000 to £95,000	-	1
	=====	=====

Emoluments, excluding pension costs and benefits in kind:  
Chairman and Highest Paid Director

75,000 =====	95,000 =====
-----------------	-----------------

The Notes On Pages 8 To 11 Form Part Of These Accounts

MIDSUMMER BOOKS LIMITED  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 1991  
(Continued)

COMPANY NO: 1345171

	1991 £ -----	1990 £ -----
<u>13. Staff Costs, including Directors</u>		
Wages and Salaries	451,719	379,237
Social Security Costs	38,204	30,660
Pension Costs	5,000	5,000
	-----	-----
	494,923	414,897
	=====	=====
 The number of employees, including Directors, employed by the Company during the year	 19 =====	 20 =====
 <u>14. Other Operating Income</u>		
Rent Receivable	31 =====	1,000 =====
 <u>15. Taxation</u>		
The tax charge on the (Loss)/Profit on the Ordinary Activities for the year was as follows:		
Corporation Tax @ 25% on adjusted (loss)/profit for the year (1990 25%)	6,200	9,600
Deferred Tax Provision	-	5,000
Overprovision in earlier year	1,725	(3,482)
	-----	-----
	7,925	11,118
	=====	=====

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The Notes On Pages 8 To 11 Form Part Of These Accounts