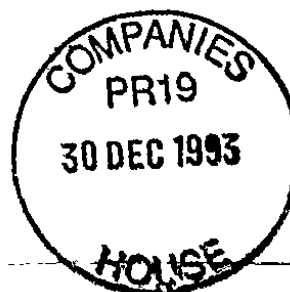


**MIDSUMMER BOOKS LIMITED  
ACCOUNTS**

**31ST DECEMBER 1992**

**COMPANY NO: 1345171**

**LEAT, THORN & PARTNERS  
SUITE 23  
LUDGATE HOUSE  
107-111 FLEET STREET  
LONDON EC4A 2AB**



**MIDSUMMER BOOKS LIMITED  
REPORT AND ACCOUNTS  
31ST DECEMBER 1992**

**-1-**

**COMPANY NO: 1345171**

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MIDSUMMER BOOKS LIMITED  
REPORT AND ACCOUNTS  
31ST DECEMBER 1992

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  
Suite 23  
Ludgate House  
107-111 Fleet Street  
LONDON EC4A 2AB

**MIDSUMMER BOOKS LIMITED  
REPORT OF THE DIRECTORS  
31ST DECEMBER 1992**

**COMPANY NO: 1345171**

The Directors present the accounts of the Company for the year ended 31st December 1992.

**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.

**DIVIDENDS**

The Directors do not recommend the payment of a dividend for the year (1991 £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	
	1992	1991
S O. Morse	80	2
M.D. Edwards	-	-
A L S. Lawrence	-	-

In accordance with the Articles of Association M.D. Edwards retires and being eligible offers herself 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

179 Dalling Road,  
LONDON W6 0ES

Dated 22nd December 1993

S.O. Morse  
Secretary

REPORT OF THE AUDITORS  
TO THE MEMBERS OF MIDSUMMER BOOKS LIMITED

COMPANY NO: 1345171

We have audited the financial statements on pages 5 to 12 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 1992 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Suite 23  
Ludgate House  
107-111 Fleet Street  
LONDON EC4A 2AB

*Leat, Thorn & Partners*  
Leat, Thorn & Partners  
Chartered Accountants  
and Registered Auditor

Dated: 22nd December 1993

MIDSUMMER BOOKS LIMITED  
BALANCE SHEET  
AS AT 31ST DECEMBER 1992

COMPANY NO: 1345171

	NOTES	1992 £	1992 £	1991 £	1991 £
FIXED ASSETS	2		191,656		211,094
CURRENT ASSETS					
Connected Companies	3	1,952		-	
Stock	4	119,106		4	
Debtors	5	73,091		17,683	
Cash at Banks and in Hand		325		1,665	
		194,474		19,352	
CREDITORS					
Amounts falling due within one year	6	268,670		98,690	
Connected Companies	3	-		5,455	
		268,670		104,145	
			(74,196)		(84,793)
TOTAL ASSETS LESS CURRENT LIABILITIES			117,460		126,301
CREDITORS					
Amounts falling due after one year	7		87,846		93,883
			29,614		32,418
CAPITAL AND RESERVES					
Called up Share Capital	8		100		2
Profit and Loss Account	9		29,514		32,416
			29,614		32,418

Approved by the board of Directors on 22nd December 1993.

A I S Lawrence - Director

*A I S Lawrence*

The Notes On Pages 8 To 12 Form Part Of These Accounts

MIDSUMMER BOOKS LIMITED  
 PROFIT AND LOSS ACCOUNT  
 FOR THE YEAR ENDED 31ST DECEMBER 1992

COMPANY NO: 1345171

	NOTES	1992 £	1992 £	1991 £	1991 £
TURNOVER	10		896,011		725,804
Direct Costs			553,516		407,934
			342,495		317,870
Administration		155,618		144,422	
Other operating Expenses		184,594		174,092	
			340,212		318,514
OPERATING PROFIT (LOSS)	11		2,283		(644)
OTHER OPERATING INCOME	14		-		31
PROFIT (LOSS) ON ORDINARY ACTIVITIES, BEFORE TAXATION			2,283		(613)
TAXATION	15		5,185		7,925
RETAINED (LOSS) ON ORDINARY ACTIVITIES, AFTER TAXATION			(2,902)		(8,538)

The Notes On Pages 8 To 12 Form Part Of These Accounts

**MIDSUMMER BOOKS LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31ST DECEMBER 1992**

**COMPANY NO: 1345171**

	NOTES	1992 £	1992 £	1991 £	1991 £
Net Cash Inflow (Outflow)	A		(29,296)		97,202
Interest received					31
Interest paid			(16,010)		(15,867)
			(45,306)		81,366
<b>TAXATION</b>					
Corporation tax paid			(7,968)		(4,260)
			(53,274)		77,106
<b>INVESTING ACTIVITIES</b>					
Purchase of fixed asset		(12,492)		(28,309)	
Sale of fixed assets		60		-	
			(12,432)		(28,309)
Net Cash Inflow (Outflow) before financing			(65,706)		48,797
<b>FINANCING</b>					
Issue of Ordinary Share Capital			98		-
Increase (decrease) in cash and cash equivalents			(65,608)		48,797

The Notes On Pages 8 To 12 Form Part Of These Accounts



MIDSUMMER BOOKS LIMITED  
NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST DECEMBER 1992

COMPANY NO: 1345171

	1992	1991	
	£	£	
	-----	-----	
A. Reconciliation of operating profit (loss) to net cash inflow (outflow) from operating activities.			
Operating profit (loss)	2,283	(644)	
Interest paid	16,010	15,867	
Depreciation	31,840	35,327	
(Profit) Loss on sale of fixed assets	30	-	
Decrease (Increase) in stock	(119,102)	-	
Decrease (Increase) in debtor	(57,360)	(8,391)	
Increase (Decrease) in creditors	97,003	55,043	
	-----	-----	
	(29,296)	97,202	
	-----	-----	
B. Analysis of changes in cash during the year			
Balance at 1st January 1992	(4,631)	(53,428)	
Net cash inflow (outflow)	(65,608)	48,797	
	-----	-----	
	(70,239)	(4,631)	
	-----	-----	
C. Analysis of changes in cash as shown in the Balance Sheet.			
	1992	1991	Changes in Year
	£	£	£
	-----	-----	-----
Cash at Bank and in hand	325	1,665	(1,340)
Bank overdraft	(70,564)	(6,296)	(64,268)
	-----	-----	-----
	(70,239)	(4,631)	(65,608)
	-----	-----	-----

The Notes On Pages 8 To 12 Form Part Of These Accounts

**MIDSUMMER BOOKS LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 1992**

**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 1992	105,074	71,499	17,444	141,892	335,909
Purchases in year	-	-	-	12,492	12,492
Disposals in year	-	-	-	(379)	(379)
	105,074	71,499	17,444	154,005	348,022
Depreciation					
1st January 1992	8,405	36,149	10,085	70,176	124,815
Charge for year	4,204	4,767	1,840	21,029	31,840
Write back on disposals	-	-	-	(289)	(289)
	12,609	40,916	11,925	90,916	156,366
Net Book Amounts at					
31st December 1992	92,465	30,583	5,519	63,089	191,656
31st December 1991	96,669	35,350	7,359	71,716	211,094

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 12 Form Part Of These Accounts**

MIDSUMMER BOOKS LIMITED

COMPANY NO: 1345171

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1992

(Continued)

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).

	1992	1991
	£	£
3.2 Balance due from Connected Companies	209,337	-
Balance due to Connected Companies	207,385	5,455
Net due from/(to) Connected Companies	1,952	(5,455)

4. Stock

Work in Progress	119,106	4
------------------	---------	---

5. Debtors

Trade Debtors	64,583	76
Other Debtors and Prepayments	8,508	17,607
	73,091	17,683

6 Creditors falling due within one year

Bank Overdraft	70,564	6,296
Social Security and other taxes	29,714	42,594
Trade Creditors	139,587	17,305
Sundry Creditors	17,290	18,573
Member's Loan Account	1,031	655
Taxation	10,484	13,267
	268,670	98,690

7 Creditors falling due after one year

Mortgage Loan - secured	71,791	73,471
Bank Loan - secured	16,088	20,412
	87,846	93,883

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

The Notes On Pages 8 To 12 Form Part Of These Accounts

MIDSUMMER BOOKS LIMITED  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 1992  
(Continued)

COMPANY NO: 1345171

	1992 £	1991 £
<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
100 Ordinary Shares of £1 each	100	

The issued share capital was increased in April 1992 by the issue of a further 98 Ordinary Shares.

<u>9. Profit and Loss Account</u>		
As at 1st January	32,416	40,954
Retained (Loss)/Profit for the year	(2,902)	(8,538)
	29,514	32,416

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	2,816	1,054
Loan Interest	13,194	14,813
Directors' Emoluments (Note 12)	87,800	87,799
Staff Costs, including Directors (Note 13)	550,262	494,923
Depreciation	31,840	35,327
Auditors' Remuneration	3,000	3,000

12. Directors' Emoluments

Directors' Remuneration	75,000	75,000
Social Security Costs	7,800	7,799
Pension Costs	5,000	5,000
	87,800	87,799

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

£0 to £5,000	2	2
£5,000 to £75,000	1	1

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

75,000	75,000
--------	--------

The Notes On Pages 8 To 12 Form Part Of These Accounts

MIDSUMMER BOOKS LIMITED  
 NOTES TO THE ACCOUNTS  
 FOR THE YEAR ENDED 31ST DECEMBER 1992  
 (Continued)

COMPANY NO: 1345171

	1992 £	1991 £
<u>13. Staff Costs, including Directors</u>		
Wages and Salaries	501,907	451,719
Social Security Costs	43,355	38,204
Pension Costs	5,000	5,000
	<u>550,262</u>	<u>494,923</u>
 The number of employees, including Directors, employed by the Company during the year	 <u>19</u>	 <u>19</u>
 <u>14. Other Operating Income</u>		
Interest Receivable	 <u>-</u>	 <u>31</u>
 <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 (1991 25%)	5,500	6,200
Overprovision in earlier year	(315)	1,725
	<u>5,185</u>	<u>7,925</u>

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The Notes On Pages 8 To 12 Form Part Of These Accounts