KEY NOTE LIMITED

DIRECTORS' REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 1998

COMPANY NUMBER : 3133813

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DIRECTORS: M. Love
A. D. Pauline
L. Save
A.W. Smart

DIRECTORS' REPORT

The directors submit their report and the accounts for the year ended 31 December 1998.

Company law requires the directors to prepare accounts that give a true and fair view of the state of affairs of the company and of the profit or loss for its financial year. In doing so the directors are required to :

- select suitable accounting policies and 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 accounts.
- prepare the accounts on the going concern basis unless it is in-appropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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 AND BUSINESS REVIEW

The principal activity of the company was the provision of market research information in hardcopy, on CD-ROM, on line and via hosts. The directors view the future with optimism and anticipate future growth and profitability.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £367,586 (1997 £245,102). The directors do not recommend payment of a dividend and the balance on the profit and loss account has been carried forward.

YEAR 2000

The company is currently assessing the impact of the Year 2000 problem via a project team specifically set up for the purpose and chaired by the Managing Director.
The team is reviewing all aspects of the potential impact of Year 2000 under the seven business headings of:-
Business systems, Desktop computing, IT infrastructure, Trading partners, Software products, Site facilities and infrastructure, Equipment and/or services supplied to customers.

It is the company's policy to seek comfort in the form of compliance letters from major suppliers and other relevant parties under the seven business headings. The company provides letters of compliance to customers on request.

The company believes it's plans are well advanced and it's major operating system will be compliant by the third quarter in 1999. The team is currently quantifying future amounts likely to be spent on achieving compliance.

DIRECTORS REPORT (continued)

DIRECTORS AND INTERESTS IN SHARES

The names of the current directors are given at the head of this report. The directors held no beneficial interest in the shares of the company as at the 1st January 1998 and as at 31st December 1998.

By order of the board

A. D. Pauline
Director

Registered office:
Field House,
72 Oldfield Road,
Hampton
TW12 2HQ

AUDITORS' REPORT TO THE MEMBERS OF

KEY NOTE LIMITED

We have audited the accounts set out on pages 5 to 11.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the directors' report the company's directors are responsible for the preparation of accounts. It is our responsibility as auditors to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 that we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Moores Rowland

MOORES ROWLAND
Chartered Accountants
Registered Auditors

London

18 February 1999

KEY NOTE LIMITED

PROFIT AND LOSS ACCOUNT
Year ended 31st December 1998

	Notes	1998	1997
		£	£
TURNOVER	2	1,575,346	1,499,163
Cost of sales		268,775	289,071
GROSS PROFIT		1,306,571	1,210,092
Net operating expenses		932,691	958,632
		373,880	251,460
Interest payable	3	(6,294)	(6,358)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	367,586	245,102
Tax on profit on ordinary activities	6	-	-
PROFIT FOR THE FINANCIAL PERIOD		367,586	245,102
Retained profit (loss) brought forward		241,774	(3,328)
RETAINED PROFIT CARRIED FORWARD		609,360	241,774

All disclosures relate only to continuing operations.

There are no recognised gains or losses other than the profit for the year.

KEY NOTE LIMITED

BALANCE SHEET
As at 31st December 1998

	Notes		1998		1997
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	7		137,005		88,856
CURRENT ASSETS					
Stocks	8	10,494		13,509	
Debtors	9	723,477		349,352	
Cash at bank and in hand		200		20,062	
		734,171		382,923	
CREDITORS - amounts falling due within one year	10	254,863		202,235	
NET CURRENT ASSETS			479,308		180,688
TOTAL ASSETS LESS CURRENT LIABILITIES			616,313		269,544
CREDITORS - amounts falling due after more than one year:					
Obligations under hire purchase contracts			(5,953)		(26,770)
TOTAL NET ASSETS			610,360		242,774
CAPITAL AND RESERVES					
Called up share capital	12		1,000		1,000
Profit and loss account			609,360		241,774
SHAREHOLDERS FUNDS	13		610,360		242,774

Approved by the board on 16 FEB 1999

A. D. Pauline - Director

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards issued by the Accounting Standards Board in the United Kingdom. The accounts have been prepared under the going concern basis given continued group financial support.

Depreciation

Depreciation is provided on all tangible fixed assets so as to write them off over their anticipated useful lives at the following annual rates:

Plant and equipment	-	20% straight line
Fixtures and fittings	-	20% straight line
Motor vehicles	-	25% straight line

Where appropriate, allowance has been made for estimated residual values.

Stock

Stock is valued at the lower of cost and net realisable value.

Operating Leases

Rentals paid under operating leases are charged directly to the profit and loss account.

Hire purchase

Assets acquired under hire purchase contracts are included at cost. Interest is charged to the profit and loss account on a straight line basis.

Pensions

The company is a member of a group money purchase pension scheme. The amount of contributions payable to the scheme in respect of the accounting year is charged against the profit and loss account.

2. TURNOVER

Turnover represents the invoiced amount of goods sold and services provided during the year, stated net of Value Added Tax. All turnover arises in the United Kingdom.

The geographical analysis of turnover is as follows:

	1998 £	1997 £
United Kingdom	1,505,463	1,470,079
Rest of Europe	51,557	17,523
United States of America	18,326	11,561
	1,575,346	1,499,163

NOTES TO THE ACCOUNTS (continued)

3. INTEREST PAYABLE

	1998 £	1997 £
On bank overdrafts wholly repayable within five years	1,551	1,422
On hire purchase commitments.	4,743	4,936
	6,294	6,358

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging :	1998 £	1997 £
Auditors' remuneration for all audit services	2,000	2, 000
Auditors' remuneration for other services	1,500	1,500
Depreciation of owned fixed assets	10,172	7,466
Depreciation of assets held under hire purchase contracts	15,261	16,460
(Profit)/Loss on disposal of fixed assets	(869)	4,796

5. DIRECTORS AND OTHER EMPLOYEES

Staff costs include the following:	1998 £	1997 £
Wages and salaries	433,863	421,561
Social security costs	45,235	44,271
Other pension costs	7,660	3,565
	486,758	469,397

The average number of employees during the year was made up as follows :	1998 Number	1997 Number
Production and sales	14	17
Other	5	3
	19	20

	1998 £	1997 £
Directors' Emoluments	63,078	55,911
Pension Contributions	2,460	-
	65,538	55,911

One director has benefits accruing under the Group Money Purchase Pension Scheme.

NOTES TO THE ACCOUNTS *(continued)*

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

There is no provision for UK Corporation Tax in the year.

7. TANGIBLE FIXED ASSETS

	Office equipment £	Plant and equipment £	Motor Vehicles £	Total £
Cost at 1 January 1998	7,519	56,708	80,150	144,377
Additions	6,317	61,594	24,393	92,304
Disposals	(243)	(11,964)	(33,300)	(45,507)
At 31 December 1998	13,593	106,338	71,243	191,174
Depreciation at 1 January 1998	3,342	32,192	19,987	55,521
Charge for year	2,204	8,303	14,926	25,433
Disposals	(243)	(11,964)	(14,578)	(26,785)
At 31 December 1998	5,303	28,531	20,335	54,169
Net book value at 31 December 1998	8,290	77,807	50,908	137,005
Net book value at 31st December 1997	4,177	24,516	60,163	88,856

Assets acquired under current hire purchase agreements have a net book value of £ 44,376 (1997 £80,249).

The depreciation charge on these assets was £15,261 (1997 £16,460).

8. STOCKS

	1998 £	1997 £
Raw materials and consumables	10,494	13,509

9. DEBTORS

	1998 £	1997 £
Trade debtors	76,985	89,656
Other debtors	-	1,950
Pre-payments and accrued income	19,825	15,893
Amounts due from group company	626,667	241,853
	723,477	349,352

NOTES TO THE ACCOUNTS (continued)

10. CREDITORS

- amounts falling due within one year	1998 £	1997 £
Bank overdraft	30,294	-
Trade creditors	45,958	26,965
Accruals and deferred income	160,277	143,178
Hire purchase contracts	17,742	31,619
Taxation and Social Security	592	473
	254,863	202,235

11. BORROWINGS

Repayable as follows :	1998 £	1997 £
Within one year	17,742	31,619
Within 1 - 2 years	5,953	20,817
Within 2 - 5 years	-	5,953
	23,695	58,389

All relate to hire purchase borrowings.

12. CALLED UP SHARE CAPITAL

	1998 £	1997 £
Authorised :		
1000 ordinary shares of £1 each	1,000	1,000
Allotted, issued and fully paid :		
1000 ordinary shares of £1 each	1,000	1,000

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998 £	1997 £
Profit for the financial year	367,586	245,102
Net addition to shareholders' funds	367,586	245,102
Opening shareholders' funds	242,774	(2,328)
Closing shareholders' funds	610,360	242,774
Shareholders' funds comprise :		
Equity interests	610,360	242,774

NOTES TO THE ACCOUNTS (continued)

14. PENSION COMMITMENTS

The company contributes to a group money purchase scheme, the assets of which are held separately from those of the group in an independently administered fund. The pension cost charge for the year amounted to £7,660 (1997: £3,565).

15. CONTINGENT LIABILITIES

At the year end the company guaranteed the liabilities of Hoppenstedt Bonnier Plc, the company's immediate parent company.

16. RELATED PARTIES

The directors regard Hoppenstedt Bonnier Plc (formerly known as the ICC Group Plc) as the parent company and immediate controlling party. The smallest group of undertakings, of which the company is a member, that draws up group accounts is that of Hoppenstedt Bonnier Investments Limited (formerly known as Hoppenstedt Bonnier Information UK Limited). Copies of the accounts of Hoppenstedt Bonnier Investments Limited and Hoppenstedt Bonnier Plc are available from the Registrar of Companies.

The directors regard Albert Bonnier AB (The Bonnier Group, incorporated in Sweden) as the company's ultimate parent company and controlling party.

Advantage has been taken of the exemption conferred by Financial Reporting Standard 8 from disclosing balances and transactions with other group companies.