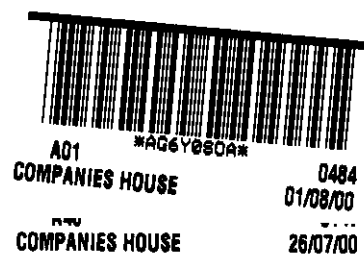


Company Registration No. 01387774 (England and Wales)

**CONEGATE LIMITED**  
**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1999**



# **CONEGATE LIMITED**

## **DIRECTOR'S REPORT FOR THE YEAR ENDED 30 SEPTEMBER 1999**

---

The director presents his report and financial statements for the year ended 30 September 1999.

### **Principal activities and review of the business**

The principal activities of the company are those of dealers and publishers of magazines, promoters of ancillary products and management consultants. The company is also an investor and dealer in properties and securities.

The company's subsidiary undertakings are listed in Note 11 to the accounts. None of these companies traded during the year.

The results for the year and the financial position at the year end were considered satisfactory by the director who expects continued growth in the foreseeable future.

### **Results and dividends**

The results for the year are set out on page 3.

### **Director**

The following director has held office since 1 October 1998:

C. Sullivan

### **Director's interests**

The director's beneficial interest in the shares of the company was as stated below:

|             | ordinary shares of £ 1 each |                |
|-------------|-----------------------------|----------------|
|             | 30 September 1999           | 1 October 1998 |
| C. Sullivan | -                           | -              |

### **Auditors**

In accordance with section 385 of the Companies Act 1985, a resolution proposing that F.Winter & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

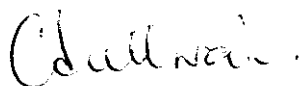
### **Director's responsibilities**

Company law requires the director to prepare financial statements for each financial year 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 director is required to:

- select suitable accounting policies and then 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

By order of the board



Mrs C. Sullivan  
**Secretary**  
10 July 2000

# **CONEGATE LIMITED**

## **AUDITORS' REPORT TO THE SHAREHOLDERS OF CONEGATE LIMITED**

---

We have audited the financial statements on pages 3 to 18 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page 8.

### **Respective responsibilities of the director and auditors**

As described on page 1 the company's director is 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 director 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 the company's affairs as at 30 September 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**F. Winter & Co**

Chartered Accountants  
**Registered Auditor**

10 July 2000

Ramillies House  
2 Ramillies Street  
London W1V 1DF

# CONEGATE LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 1999

|                                                      | Notes | 1999<br>£        | 1998<br>£        |
|------------------------------------------------------|-------|------------------|------------------|
| Turnover                                             | 2     | 11,202,955       | 5,736,730        |
| Cost of sales                                        |       | (3,077,272)      | (1,123,438)      |
| <b>Gross profit</b>                                  |       | <b>8,125,683</b> | <b>4,613,292</b> |
| Administrative expenses                              |       | (2,371,536)      | (2,030,354)      |
| <b>Operating profit</b>                              | 3     | <b>5,754,147</b> | <b>2,582,938</b> |
| Profit on disposal of fixed assets                   | 4     | 1,698,410        | 1,238,252        |
| Income from other fixed asset investments            | 5     | 103,570          | 14,019           |
| Other interest receivable and similar income         | 6     | 546,317          | 630,430          |
| Interest payable and similar charges                 | 7     | (209,095)        | (186,118)        |
| <b>Profit on ordinary activities before taxation</b> |       | <b>7,893,349</b> | <b>4,279,521</b> |
| Tax on profit on ordinary activities                 | 8     | (2,252,785)      | (1,202,376)      |
| <b>Profit on ordinary activities after taxation</b>  | 19    | <b>5,640,564</b> | <b>3,077,145</b> |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# **CONEGATE LIMITED**

## **STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 SEPTEMBER 1999**

---

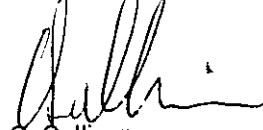
|                                                                      | <b>1999</b>             | <b>1998</b>             |
|----------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                      | <b>£</b>                | <b>£</b>                |
| <b><i>Profit for the financial year</i></b>                          | <b>5,640,564</b>        | <b>3,077,145</b>        |
| <b><i>Unrealised surplus on revaluation of properties</i></b>        | <b>4,179,490</b>        | <b>-</b>                |
| <b><i>Total recognised gains and losses relating to the year</i></b> | <b><u>9,820,054</u></b> | <b><u>3,077,145</u></b> |

# CONEGATE LIMITED

## BALANCE SHEET AS AT 30 SEPTEMBER 1999

|                                                                | Notes    | 1999<br>£           | £                   | 1998<br>£         | £ |
|----------------------------------------------------------------|----------|---------------------|---------------------|-------------------|---|
| <b>Fixed assets</b>                                            |          |                     |                     |                   |   |
| Tangible assets                                                | 9 and 10 | 42,886,335          |                     | 35,243,697        |   |
| Investments                                                    | 11       | 6,846,902           |                     | 4,567,254         |   |
|                                                                |          | <u>49,733,237</u>   |                     | <u>39,810,951</u> |   |
| <b>Current assets</b>                                          |          |                     |                     |                   |   |
| Stocks                                                         | 12       | 2,412,914           | 4,777,143           |                   |   |
| Debtors                                                        | 13       | 2,167,694           | 2,546,213           |                   |   |
| Cash at bank and in hand                                       |          | 15,974,351          | 5,191,641           |                   |   |
|                                                                |          | <u>20,554,959</u>   | <u>12,514,997</u>   |                   |   |
| <b>Creditors: amounts falling due within one year</b>          | 14       | <u>(30,438,961)</u> | <u>(21,891,029)</u> |                   |   |
| <b>Net current liabilities</b>                                 |          | <u>(9,884,002)</u>  | <u>(9,376,032)</u>  |                   |   |
| <b>Total assets less current liabilities</b>                   |          | <u>39,849,235</u>   | <u>30,434,919</u>   |                   |   |
| <b>Creditors: amounts falling due after more than one year</b> | 15       | (2,175,000)         | (2,615,625)         |                   |   |
| <b>Provisions for liabilities and charges</b>                  | 16       | (142,562)           | (107,672)           |                   |   |
|                                                                |          | <u>37,531,673</u>   | <u>27,711,622</u>   |                   |   |
| <b>Capital and reserves</b>                                    |          |                     |                     |                   |   |
| Called up share capital                                        | 18       | 100                 | 100                 |                   |   |
| Revaluation reserve                                            | 19       | 4,179,490           | -                   |                   |   |
| Profit and loss account                                        | 19       | 33,352,083          | 27,711,522          |                   |   |
|                                                                |          | <u>37,531,673</u>   | <u>27,711,622</u>   |                   |   |
| <b>Shareholders' funds - equity interests</b>                  | 20       | <u>37,531,673</u>   | <u>27,711,622</u>   |                   |   |

The financial statements were approved by the Board on 10 July 2000



C. Sullivan  
Director

# CONEGATE LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 1999

|                                                                                      | 1999<br>£    | 1998<br>£    |
|--------------------------------------------------------------------------------------|--------------|--------------|
| <b>Net cash inflow from operating activities</b>                                     | 16,930,371   | 4,868,709    |
| <b>Returns on investments and servicing of finance</b>                               |              |              |
| Interest received                                                                    | 546,317      | 630,430      |
| Interest paid                                                                        | (209,095)    | (186,118)    |
| Dividends received                                                                   | 103,570      | 11,215       |
| <b>Net cash inflow for returns on investments and servicing of finance</b>           | 440,792      | 455,527      |
| <b>Taxation</b>                                                                      | (1,832,580)  | (1,631,226)  |
| <b>Capital expenditure and financial investment</b>                                  |              |              |
| Payments to acquire tangible assets                                                  | (8,839,120)  | (10,510,787) |
| Payments to acquire investments                                                      | (48,621,238) | (22,051,746) |
| Receipts from sales of tangible assets                                               | 5,567,182    | 5,347,510    |
| Receipts from sales of investments                                                   | 47,771,915   | 20,551,761   |
| Loans repaid                                                                         | -            | 1,813,285    |
| <b>Net cash outflow for capital expenditure</b>                                      | (4,121,261)  | (4,849,977)  |
| <b>Net cash inflow/(outflow) before management of liquid resources and financing</b> | 11,417,322   | (1,156,967)  |
| <b>Financing</b>                                                                     |              |              |
| New long term bank loan                                                              | -            | 3,000,000    |
| Repayment of long term bank loan                                                     | (628,125)    | (412,500)    |
| <b>Net cash (outflow)/inflow from financing</b>                                      | (628,125)    | 2,587,500    |
| <b>Increase/(decrease) in cash in the year</b>                                       | 10,789,197   | 1,430,533    |

# CONEGATE LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 1999

|   |                                                                                 |                |            |                        |                   |
|---|---------------------------------------------------------------------------------|----------------|------------|------------------------|-------------------|
| 1 | Reconciliation of operating profit to net cash inflow from operating activities |                | 1999       | 1998                   |                   |
|   |                                                                                 |                | £          | £                      |                   |
|   | Operating profit                                                                |                | 5,754,147  | 2,582,938              |                   |
|   | Depreciation of tangible assets                                                 |                | 77,201     | 64,752                 |                   |
|   | Profit on disposal of tangible assets                                           |                | (329)      | (3,402)                |                   |
|   | Decrease/(increase) in stocks                                                   |                | 2,364,229  | (16,499)               |                   |
|   | Decrease in debtors                                                             |                | 378,519    | 463,908                |                   |
|   | Increase in creditors within one year                                           |                | 8,356,604  | 1,777,012              |                   |
|   |                                                                                 |                |            |                        |                   |
|   | Net cash inflow from operating activities                                       |                | 16,930,371 | 4,868,709              |                   |
|   |                                                                                 |                |            |                        |                   |
| 2 | Analysis of net funds                                                           | 1 October 1998 | Cash flow  | Other non-cash changes | 30 September 1999 |
|   |                                                                                 | £              | £          | £                      | £                 |
|   | Net cash:                                                                       |                |            |                        |                   |
|   | Cash at bank and in hand                                                        | 5,191,641      | 10,782,710 |                        | 15,974,351        |
|   | Bank overdrafts                                                                 | (6,487)        | 6,487      |                        | -                 |
|   |                                                                                 |                |            |                        |                   |
|   |                                                                                 | 5,185,154      | 10,789,197 |                        | 15,974,351        |
|   |                                                                                 |                |            |                        |                   |
|   | Debt:                                                                           |                |            |                        |                   |
|   | Debts falling due within one year                                               | (487,500)      | 187,500    | -                      | (300,000)         |
|   | Debts falling due after one year                                                | (2,615,625)    | 440,625    | -                      | (2,175,000)       |
|   |                                                                                 |                |            |                        |                   |
|   |                                                                                 | (3,103,125)    | 628,125    | -                      | (2,475,000)       |
|   |                                                                                 |                |            |                        |                   |
|   | Net funds                                                                       | 2,082,029      | 11,417,322 | -                      | 13,499,351        |
|   |                                                                                 |                |            |                        |                   |
| 3 | Reconciliation of net cash flow to movement in net funds                        |                | 1999       | 1998                   |                   |
|   |                                                                                 |                | £          | £                      |                   |
|   | Increase in cash in the year                                                    |                | 10,789,197 | 1,430,533              |                   |
|   | Cash outflow/(inflow) from decrease/(increase) in debt                          |                | 628,125    | (2,587,500)            |                   |
|   |                                                                                 |                |            |                        |                   |
|   | Movement in net funds in the year                                               |                | 11,417,322 | (1,156,967)            |                   |
|   | Opening net funds                                                               |                | 2,082,029  | 3,238,996              |                   |
|   |                                                                                 |                |            |                        |                   |
|   | Closing net funds                                                               |                | 13,499,351 | 2,082,029              |                   |

# CONEGATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1999

---

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

#### 1.2 Turnover

Turnover represents income from property investments and amounts receivable for goods sold and services provided net of value added tax

#### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

|                                |                                        |
|--------------------------------|----------------------------------------|
| Short leasehold buildings      | Over the Life of the Lease             |
| Fixtures, fittings & equipment | 10% per annum on a straight line basis |
| Motor vehicles                 | 20% per annum on a straight line basis |

In accordance with SSAP19, investment properties are revalued annually and the aggregate surplus or deficit where material, is transferred to the revaluation reserve. No depreciation is provided in respect of investment properties.

The Companies Act 1985 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP19. The Director considers that, as these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP19 in order to give a true and fair view.

If this departure from the Act had not been made, the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

#### 1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.5 Investments

Investments are stated at cost less provision for any permanent diminution in value. The market value of listed investments is based on the closing middle market price on a recognised stock exchange.

#### 1.6 Stock

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

#### 1.7 Pensions

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

#### 1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

# CONEGATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1999

### 1 Accounting policies

#### 1.9 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of Roldvale Limited, a company incorporated in the United Kingdom and is included in the consolidated accounts of that company.

#### 1.10 Leasing

Rentals receivable under operating leases are credited to the profit and loss account on a straight line basis over the lease term.

### 2 Turnover

The total turnover of the company for the year has been derived from its principle activities wholly undertaken in the United Kingdom.

In the opinion of the Director, given the integrated nature of the company's services, it would be both prejudicial and misleading to provide an analysis of turnover and profit by classes of business.

| 3 Operating profit                         | 1999<br>£ | 1998<br>£ |
|--------------------------------------------|-----------|-----------|
| Operating profit is stated after charging: |           |           |
| Depreciation of tangible assets            | 77,201    | 64,752    |
| Operating lease rentals                    | 43,838    | 42,218    |
| Auditors' remuneration                     | 20,800    | 20,500    |

| 4 Profit on disposal of fixed assets    | 1999<br>£        | 1998<br>£        |
|-----------------------------------------|------------------|------------------|
| Profit on sale of unlisted investments  | -                | 814              |
| Profit on sale of listed investments    | 1,430,324        | (360,581)        |
| Profit on sale of investment properties | 268,086          | 1,598,019        |
|                                         | <u>1,698,410</u> | <u>1,238,252</u> |

| 5 Income from other fixed asset investments | 1999<br>£      | 1998<br>£     |
|---------------------------------------------|----------------|---------------|
| Dividends received from listed investments  | <u>103,570</u> | <u>14,019</u> |

# **CONEGATE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1999**

|          |                                                     |                  |                  |
|----------|-----------------------------------------------------|------------------|------------------|
| <b>6</b> | <b>Other interest receivable and similar income</b> | <b>1999</b>      | <b>1998</b>      |
|          |                                                     | <b>£</b>         | <b>£</b>         |
|          | Deposit interest                                    | 534,710          | 359,949          |
|          | Other interest                                      | 11,607           | 270,481          |
|          |                                                     | <u>546,317</u>   | <u>630,430</u>   |
| <b>7</b> | <b>Interest payable</b>                             | <b>1999</b>      | <b>1998</b>      |
|          |                                                     | <b>£</b>         | <b>£</b>         |
|          | On bank loans and overdrafts                        | <u>209,095</u>   | <u>186,118</u>   |
| <b>8</b> | <b>Taxation</b>                                     | <b>1999</b>      | <b>1998</b>      |
|          |                                                     | <b>£</b>         | <b>£</b>         |
|          | <b>U.K. current year taxation</b>                   |                  |                  |
|          | U.K. corporation tax at 31% (1998 - 31%)            | 2,212,215        | 1,226,900        |
|          | Tax credits on franked investment income            | -                | 2,804            |
|          | Deferred taxation                                   | 34,890           | (27,328)         |
|          |                                                     | <u>2,247,105</u> | <u>1,202,376</u> |
|          | <b>Prior years</b>                                  |                  |                  |
|          | U.K. corporation tax                                | 5,680            | -                |
|          |                                                     | <u>2,252,785</u> | <u>1,202,376</u> |

# **CONEGATE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1999**

### **9 Tangible fixed assets**

|                          | Short<br>leasehold<br>buildings | Fixtures,<br>fittings &<br>equipment | Motor<br>vehicles | Total    |
|--------------------------|---------------------------------|--------------------------------------|-------------------|----------|
|                          | £                               | £                                    | £                 | £        |
| <b>Cost or valuation</b> |                                 |                                      |                   |          |
| At 1 October 1998        | 25,278                          | 16,119                               | 315,824           | 357,221  |
| Additions                | -                               | -                                    | 104,614           | 104,614  |
| Disposals                | -                               | -                                    | (42,319)          | (42,319) |
| At 30 September 1999     | 25,278                          | 16,119                               | 378,119           | 419,516  |
| <b>Depreciation</b>      |                                 |                                      |                   |          |
| At 1 October 1998        | 25,278                          | 6,072                                | 109,979           | 141,329  |
| On disposals             | -                               | -                                    | (26,078)          | (26,078) |
| Charge for the year      | -                               | 1,576                                | 75,625            | 77,201   |
| At 30 September 1999     | 25,278                          | 7,648                                | 159,526           | 192,452  |
| <b>Net book value</b>    |                                 |                                      |                   |          |
| At 30 September 1999     | -                               | 8,471                                | 218,593           | 227,064  |
| At 30 September 1998     | -                               | 10,047                               | 205,845           | 215,892  |

Included above, the net book value of other tangible fixed assets held for rental income under operating leases amounted to:-

| <u>Motor vehicles</u> | 1999<br>£ | 1998<br>£ |
|-----------------------|-----------|-----------|
| Cost                  | 222,196   | 182,200   |
| Less:- Depreciation   | (77,599)  | (36,440)  |
| <b>Net book value</b> | 144,597   | 145,760   |

# **CONEGATE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1999**

---

### **10 Tangible fixed assets**

|                          | <b>Investment<br/>properties<br/>£</b> |
|--------------------------|----------------------------------------|
| <b>Cost or valuation</b> |                                        |
| At 1 October 1998        | 35,027,805                             |
| Additions                | 8,737,626                              |
| Revaluation              | 4,179,490                              |
| Disposals                | (5,285,650)                            |
|                          | <hr/>                                  |
| At 30 September 1999     | <b>42,659,271</b>                      |
|                          | <hr/>                                  |

The valuations of investment properties were made as at 30th September 1999 by the Director on an open market basis. No depreciation is provided in respect of these properties.

On an historical cost basis these would have been included at an original cost of £ 38,479,781 (1998 - £35,027,805).

# **CONEGATE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1999**

### **11 Fixed asset investments**

|                          | Listed<br>investments | Shares in<br>group<br>undertakings<br>and<br>participating<br>interests | Total               |
|--------------------------|-----------------------|-------------------------------------------------------------------------|---------------------|
|                          | £                     | £                                                                       | £                   |
| <b>Cost or valuation</b> |                       |                                                                         |                     |
| At 1 October 1998        | 4,567,055             | 200                                                                     | 4,567,255           |
| Additions                | 48,621,238            | -                                                                       | 48,621,238          |
| Disposals                | (46,341,591)          | -                                                                       | (46,341,591)        |
|                          | <u>6,846,702</u>      | <u>200</u>                                                              | <u>6,846,902</u>    |
| At 30 September 1999     | 6,846,702             | 200                                                                     | 6,846,902           |
|                          | <u>4,567,054</u>      | <u>200</u>                                                              | <u>4,567,254</u>    |
| At 30 September 1998     | 4,567,054             | 200                                                                     | 4,567,254           |
|                          | <u>6,128,144</u>      |                                                                         | <u>6,128,144</u>    |
|                          | <u>3,757,168</u>      |                                                                         | <u>3,757,168</u>    |
|                          | <b>Market value</b>   |                                                                         | <b>Market value</b> |
|                          | £                     |                                                                         | £                   |
| At 30 September 1999     | 6,128,144             |                                                                         | 6,128,144           |
| At 30 September 1998     | 3,757,168             |                                                                         | 3,757,168           |

#### **Holdings of more than 20%**

The company holds more than 20% of the share capital of the following companies:

| Company                        | Country of registration or<br>incorporation | Shares held<br>Class | %   |
|--------------------------------|---------------------------------------------|----------------------|-----|
| <b>Subsidiary undertakings</b> |                                             |                      |     |
| Centrewall Limited             | England & Wales                             | Ordinary             | 100 |
| Shape-Up Shops Limited         | England & Wales                             | Ordinary             | 100 |

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

|                        | Capital and<br>reserves | Profit for the<br>year |
|------------------------|-------------------------|------------------------|
| Centrewall Limited     | (16,663)                | -                      |
| Shape-Up Shops Limited | (26,147)                | -                      |
|                        | <u></u>                 | <u></u>                |

# **CONEGATE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1999**

| <b>12 Stocks</b>                                          | <b>1999</b>       | <b>1998</b>       |
|-----------------------------------------------------------|-------------------|-------------------|
|                                                           | <b>£</b>          | <b>£</b>          |
| Properties held for resale                                | 2,339,875         | 4,670,276         |
| Goods for resale                                          | 73,039            | 106,867           |
|                                                           | <u>2,412,914</u>  | <u>4,777,143</u>  |
|                                                           |                   |                   |
| <b>13 Debtors</b>                                         | <b>1999</b>       | <b>1998</b>       |
|                                                           | <b>£</b>          | <b>£</b>          |
| Trade debtors                                             | 2,123,924         | 2,494,443         |
| Amounts owed by subsidiary undertakings                   | 23,031            | 23,031            |
| Other debtors                                             | 11,051            | 19,051            |
| Prepayments and accrued income                            | 9,688             | 9,688             |
|                                                           | <u>2,167,694</u>  | <u>2,546,213</u>  |
|                                                           |                   |                   |
| <b>14 Creditors: amounts falling due within one year</b>  | <b>1999</b>       | <b>1998</b>       |
|                                                           | <b>£</b>          | <b>£</b>          |
| Bank loans and overdrafts                                 | 300,000           | 493,987           |
| Trade creditors                                           | 6,336,282         | 696,072           |
| Amounts owed to parent and fellow subsidiary undertakings | 21,715,338        | 19,275,986        |
| Corporation tax                                           | 1,612,215         | 1,226,900         |
| Other taxes and social security costs                     | 398,889           | 104,991           |
| Other creditors                                           | 32,837            | 52,693            |
| Accruals and deferred income                              | 43,400            | 40,400            |
|                                                           | <u>30,438,961</u> | <u>21,891,029</u> |

# CONEGATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1999

| 15 Creditors: amounts falling due after more than one year | 1999<br>£ | 1998<br>£ |
|------------------------------------------------------------|-----------|-----------|
| Bank loans                                                 | 2,175,000 | 2,615,625 |
| <b>Analysis of loans</b>                                   |           |           |
| Not wholly repayable within five years by instalments:     |           |           |
| Bank loans                                                 | 2,475,000 | 2,775,000 |
| Wholly repayable within five years                         | -         | 328,125   |
|                                                            | 2,475,000 | 3,103,125 |
| Included in current liabilities                            | (300,000) | (487,500) |
|                                                            | 2,175,000 | 2,615,625 |
| <b>Loan maturity analysis</b>                              |           |           |
| Between one and two years                                  | 300,000   | 440,625   |
| Between two and five years                                 | 900,000   | 900,000   |
| In five years or more                                      | 975,000   | 1,275,000 |

The bank loans are secured by a fixed charge over the company's freehold properties.

The above bank loans are repayable by instalments which will be fully repaid by 2008. Interest on bank loans will continue to be charged at a rate of 1% above the bank's base rate.

### 16 Provisions for liabilities and charges

|                              | Deferred<br>taxation<br>£ |
|------------------------------|---------------------------|
| Balance at 1 October 1998    | 107,672                   |
| Profit and loss account      | 34,890                    |
| Balance at 30 September 1999 | 142,562                   |

Deferred tax is provided at 31% (1998 - 31%) analysed over the following timing differences:

|                                | Fully provided<br>1999<br>£ | 1998<br>£ |
|--------------------------------|-----------------------------|-----------|
| Accelerated capital allowances | 142,562                     | 107,672   |

The revaluation of properties does not constitute a timing difference and the potential amount of deferred tax on this has therefore not been quantified.

# **CONEGATE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1999**

### **17 Pension costs**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £2,000 (1998 - £2,000).

| <b>18 Share capital</b>                   | <b>1999</b>       | <b>1998</b>       |
|-------------------------------------------|-------------------|-------------------|
|                                           | <b>£</b>          | <b>£</b>          |
| <b>Authorised</b>                         |                   |                   |
| 100 ordinary shares of £ 1 each           | 100               | 100               |
|                                           | <u>          </u> | <u>          </u> |
| <b>Allotted, called up and fully paid</b> |                   |                   |
| 100 ordinary shares of £ 1 each           | 100               | 100               |
|                                           | <u>          </u> | <u>          </u> |

### **19 Statement of movements on reserves**

|                                | <b>Revaluation<br/>reserve</b> | <b>Profit and<br/>loss account</b> |
|--------------------------------|--------------------------------|------------------------------------|
|                                | <b>£</b>                       | <b>£</b>                           |
| Balance at 1 October 1998      | -                              | 27,711,519                         |
| Retained profit for the period | -                              | 5,640,564                          |
| Revaluation during the period  | 4,179,490                      | -                                  |
|                                | <u>          </u>              | <u>          </u>                  |
| Balance at 30 September 1999   | 4,179,490                      | 33,352,083                         |
|                                | <u>          </u>              | <u>          </u>                  |

### **20 Reconciliation of movements in shareholders' funds**

|                                     | <b>1999</b>       | <b>1998</b>       |
|-------------------------------------|-------------------|-------------------|
|                                     | <b>£</b>          | <b>£</b>          |
| Profit for the financial year       | 5,640,564         | 3,077,145         |
| Other recognised gains and losses   | 4,179,490         | -                 |
|                                     | <u>          </u> | <u>          </u> |
| Net addition to shareholders' funds | 9,820,054         | 3,077,145         |
| Opening shareholders' funds         | 27,711,622        | 24,634,477        |
|                                     | <u>          </u> | <u>          </u> |
| Closing shareholders' funds         | 37,531,673        | 27,711,622        |
|                                     | <u>          </u> | <u>          </u> |

# CONEGATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1999

| 21 Director's emoluments                                | 1999<br>£      | 1998<br>£      |
|---------------------------------------------------------|----------------|----------------|
| Emoluments for qualifying services                      | 131,400        | 129,000        |
| Company pension contributions to money purchase schemes | 2,000          | 2,000          |
|                                                         | <u>133,400</u> | <u>131,000</u> |

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (1998 - 1).

## 22 Employees

### Number of employees

The average monthly number of employees (including directors) during the year was:

|                        | 1999<br>Number | 1998<br>Number |
|------------------------|----------------|----------------|
| Office and management  | 5              | 5              |
| Sales and distribution | 4              | 4              |
|                        | <u>9</u>       | <u>9</u>       |

### Employment costs

|                       | £              | £              |
|-----------------------|----------------|----------------|
| Wages and salaries    | 271,424        | 300,202        |
| Social security costs | 28,746         | 30,048         |
| Other pension costs   | 2,000          | 2,000          |
|                       | <u>302,170</u> | <u>332,250</u> |

## 23 Control

The Company is under the control of Roldvale Limited and the ultimate control of Mr.D.Sullivan who owns the entire shareholding of Roldvale Limited.

# **CONEGATE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1999**

---

### **24 Related party transactions**

The material related party transactions during the year ended 30th September, 1999 were:-

-Service charges of £1,800,000 (1998:£1,500,000) were charged by Roldvale Limited.

-VAT amounting to £666,801 (1998:£300,921) was paid on behalf of the company by Roldvale Limited.

-Management fee of £4,258,333 (1998:£208,333) was received from Sport Newspapers Limited, a company in which Mr.D.Sullivan has an interest.

The balance due to the group undertakings at 30th September, 1999 was £21,692,307 (1998:£19,252,955) and the balance due from Sport Newspapers Limited at 30th September, 1999 was £166,667 (1998- £ 208333).