HUVEAUX PLC

Preliminary announcement of the final results for the year ended 31 December 2004

7 March 2005

HIGHLIGHTS

- Sales more than trebled to £14.4 million
- Pre-tax profit before exceptional items doubled to £2.45 million *
- Earnings per share before exceptional items up by 9 per cent *
- Dividend up by 14 per cent
- Cash of £3.1 million at year-end, and strong cash generation
- 3 acquisitions completed in 2004

The above highlights the underlying business performance of the Group. The statutory results show the following financial results:

	2004 £'000	2003 £'000
Turnover	14,433	4,575
Profit before taxation and exceptional items*	2,450	1,205
Profit before taxation	2,128	1,205
Earnings per share before exceptional items (basic)*	2.19p	2.01p
Earnings per share (basic)	1.94p	2.01p
Dividend per share	1.00p	0.88p

** Exceptional items amounted to £322,000 (before tax) relating principally to the cost of restructuring the Parliamentary Communications Limited operations acquired during 2004.*

John van Kuffeler, Chairman of Huveaux PLC, commented:

"We are delighted that 2004 was a year of considerable growth for Huveaux, both organically and through acquisition. Sales, profits and earnings per share have all significantly increased.

We have invested in new offices in London to bring our UK Political Division under one roof and this will generate significant benefits going forward. Overall, the business has been transformed under a strengthened senior management team and is in excellent shape. The outlook for 2005 is for another year of growth."

For further information, please contact:

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CHAIRMAN'S STATEMENT

The year 2004 saw a further major transformation of Huveaux. We made three acquisitions more than doubling our size and in addition achieved good organic growth. As a result sales more than trebled from £4.6 million to £14.4 million and pre-tax profits before exceptional items doubled to £2.45 million (2003 – £1.20 million). Earnings per share before exceptional items increased by 9 per cent to 2.2 pence (2003- 2.0 pence) and the Directors are recommending a dividend of 1 pence per share (2003- 0.88 pence), an increase of 14 per cent over 2003. Huveaux ended the year with a strong balance sheet, no borrowings and £3.1 million of cash balances in the bank.

The exceptional item of £322,000 (2003- £nil) represents principally the cost of restructuring the Parliamentary Communications Limited operations, including 18 redundancies, the day we completed that acquisition. After this exceptional item, the pre-tax profit was £2.1 million (2003- £1.2 million).

The acquisitions in 2004 of Parliamentary Communications and Public Affairs News have been fully integrated with Vacher Dod in the UK creating a very strong market position in UK political publishing, with significant cost and revenue benefits flowing through in 2005. Similarly, the operations of ATP- Egora have been integrated into Le Trombinoscope in Paris with similar benefits flowing through to 2005. In addition we have significantly strengthened our Board and management team. Altogether, these measures have ensured a strong start to 2005.

Review of Operations

As at 31 December 2004 Huveaux's business comprised four operating units all in the field of specialist B2B publishing. The sales and profits of each were as follows for the year 2004:

	Sales £000	Pre-tax Profit* £000
UK Political	6,682	1,283
EU Political	2,213	335
Total Political Division	8,895	1,618
Fenman	2,875	466
Lonsdale	2,663	1,188
Total Education & Training Division	5,538	1,654
Operating Result	14,433	3,272
Head Office	-	(822)
Sales/Pre-tax Profit	14,433	2,450

* before exceptional items

Each of these is now described in turn.

Our UK Political Operation, **Dod's Parliamentary Communications,** is our largest operating unit and is the leading political information, public affairs and policy communication specialist in the UK. It comprises magazines, websites, databases, reference books, seminars and events. Sales totalled £6.7 million in 2004, up from £1.5 million in 2003, with a large proportion of the increase from the acquisitions made during the year. This Division is showing strong organic growth with revenues increasing 16 per cent in 2004 on a like-for-like basis. The costs in 2004 include the full costs of moving from four separate office buildings to the new integrated office in Westminster Tower (including the costs of the remainder of the old leases). The pre-tax profit before exceptional items of this division amounted to £1.28 million.

Our magazines offer comprehensive editorial content from key decision makers who influence, inform and educate- resulting in an essential read for those interested in government, policy and the decision- making process. Regularly highlighted in independent "best read" research, our publications link the political communities of the UK, allowing readers to keep abreast of developments at all levels. Our magazines account for some 35 per cent of Dod's Parliamentary Communications sales and comprise:

> **The House Magazine** is the premier weekly publication for the Houses of Parliament and those involved in politics and policy development.
>
> **The Parliamentary Monitor** provides a monthly commentary on the big issues in the political world, resulting in a respected insight into the current and forthcoming agenda. In 2005 we have added The Regional Monitor, a month by month analysis of the political issues around the regions of the UK.
>
> **Whitehall and Westminster World** is a fortnightly newspaper for the civil servants charged with developing, influencing and implementing policy in Whitehall and Westminster.
>
> **Public Affairs News** is Europe's leading monthly business publication dedicated to those in the public affairs industry and government relations.
>
> **pH7** is the quarterly parliamentary health magazine for parliamentarians and health policy makers to read and debate current issues.
>
> **The International Development Magazine** is a new magazine which analyses issues in the developing world. It is read by parliamentarians and leading figures involved in development.

Our UK new media services comprise:

> **ePolitix.com** is the highly regarded open access politics website with news, policy bulletins, and a comprehensive legislation guide, as well as 420 MP and 250 specialist government relations websites. It has a monthly audience of 60,000 unique users and over 8,000 people read the daily email bulletins.
>
> **ePolitixlocal.com** is the local government equivalent of ePolitix.com which was launched in February 2005.

dodonline.co.uk is the UK's most authoritative online political intelligence resource covering the people, institutions and constituencies in the UK. As preferred supplier to the UK Parliament it delivers unrivalled real- time information and search facilities based on the highly respected Dod's Parliamentary Companion database.

ePolitixplus.com is a specialist information provider for political monitoring. It delivers fast and accurate tailor- made political information to clients for a fee, which varies according to the complexity of information required. The number of clients grew from 30 to more than 100 during the year 2004.

The revenue from the above new media businesses account for some 25 per cent of UK Political sales.

Our UK Political training and seminar business comprises:

Westminster Explained which offers high quality training and development seminars to the public and private sector, facilitating a high standard of performance and understanding in policymaking.

The Certificate in Public Sector Delivery which offers a high quality professional training programme for people working in the civil service and the public sector.

Westminster Briefing which offers political and policy specialists the rare opportunity to hear about proposed government legislation and initiatives from key parliamentary figures.

The revenue from the above training and seminar businesses account for some 22 per cent of UK political sales from over 100 events in 2004.

Our database and reference book business is dominated by **Dod's Parliamentary Companion** and its accompanying titles, Dod's Civil Service Companion, Dod's Constituency Guide, Dod's Scotland, Wales and Northern Ireland Companion, VQ, and the Dod's Handbooks of Parliamentary Procedures. The revenue from these publications account for some 15 per cent of UK political sales.

Electus is the leading search and selection consultancy for the public affairs and political communications industry. The revenue from this business account for some 3 per cent of UK political sales, after sales more than doubled in 2004.

The outlook for 2005 is for continued good growth in sales with the cost and operational benefits of the new building flowing through. Our budgets for 2005 are based upon a May General Election, but an autumn poll date could have an influence on the Division's results for 2005.

Our EU Political Operation, based in Paris and Brussels, had sales of £2.2 million in 2004, a like-for-like increase of 19 per cent over 2003. It consists of:

- **Le Trombinoscope** (two reference books, a newsletter, a subscription website and the prestigious 'Prix du Trombinoscope' political awards) which had sales growth of 9 per cent in 2004;

- **Parliament Magazine,** published fortnightly, reports and reflects upon the work of the European Parliament, and the European Commission as well as upon broader European issues, which achieved a phenomenal 46 per cent sales growth over the equivalent period last year;
- **EUPolitix.com** which has seen stable revenues since being acquired by Huveaux, and has turned a £ 364,000 loss pre-acquisition into a small pre-tax profit;
- **ATP - Egora** acquired in 2004 (which consists of four quarterly specialist medical magazines under the brand "Réseaux" and a website for professionals in the French healthcare sector) which similarly saw stable revenues but saw increased profits under our ownership with a contribution of approximately €70,000 (£48,000) in the four months post - acquisition.

Overall, the EU Political Operation achieved pre-tax profits of £335,000 in 2004.

Our operations in Paris, comprising the separate businesses of Le Trombinoscope and ATP - Egora, have recently moved into new premises together, enabling further operational benefits to accrue.

Parliament Magazine and EUPolitix.com are both run from our Brussels office which is opposite the European Commission building.

Eurosource, which is the title for the new database and reference books and subscription website on the EU Parliament and the EU Commission (which combines the former Dod's and Trombinoscope databases) achieved sales of approximately £249,000 in 2004, all of which were deferred to 2005 pending the delivery to customers of Volume II. This postponement arose as a direct result of the EU Parliament rejecting the proposed EU Commission in October. Sales in 2004 were therefore £ nil as compared to £184,000 on a like-for-like basis in 2003.

Overall, the EU Political Operation should see continued strong growth in 2005 combined with the benefit of the Eurosource sales being deferred from 2004 to 2005.

The Education & Training Division consists of Fenman and Lonsdale.

Fenman is a specialist publisher of material for training managers in both the public and private sectors, including larger companies, government departments, local authorities, the armed forces and large accounting firms. Its flagship product is a monthly publication, The Training Journal, which has some 5,000 annual subscribers. Fenman also makes and sells a wide range of training videos and publishes 108 different training manuals. In addition, it runs seminars and courses for training managers at locations throughout the UK, and operates a website for training managers with over 2,000 subscribers. Fenman is based in Ely, Cambridgeshire and has 16 employees.

Fenman had sales of approximately £ 2.9 million in 2004 as compared to £ 0.7 million in 2003 (part year only), but on a like-for-like basis, sales were 2 per cent lower. Pre-tax profits were £466,000 (2003 - £184,000 part year only). This was a disappointing result reflecting a slowing of manual and video sales (down 13 per cent) counterbalanced by 8 per cent growth in Training Journal revenues and a 48 per cent growth in seminar revenues (on a like-for-like basis in each case). Immediate action has been taken to address these points:-

- Production of the Training Journal is being moved to London to be produced alongside our other magazine titles with consequent cost savings and the benefit of a large advertising sales department.
- The Fenman seminars business will be given the added expertise of our large London political conference and training unit and further expansion of this high growth business is planned for 2005.
- The manual and video business will reduce its heavy direct marketing spend which will be replaced by a small sales unit targeting high value customers, particularly the larger Government departments.

The outlook for 2005 for Fenman is therefore for a resumption of modest sales growth.

Lonsdale is a specialist publisher of revision guides and workbooks for schools in England and Wales. It specialises in Key Stages 2, 3 and 4, including GCSE (for pupils between the ages of 7 and 16) and has 63 current titles. Sales are made directly to schools and are priced at between £1 and £4. The guides are designed to assist teachers to ensure that their pupils receive the exact material on which they will be assessed. Lonsdale is based in Holmfirth, Yorkshire; and Carnforth and Penrith in the Lake District. It has 18 employees.

Lonsdale achieved sales of approximately £ 2.66 million in 2004, as compared to £2.5 million on a like-for-like basis in 2003, representing sales growth of 6 per cent. Pre-tax profits were approximately £1.19 million, which represents a pre-tax profit margin of 44 per cent. A number of new titles were published during the year, including six new maths titles published in November, and sales have started strongly in 2005.

Group Financial

Head Office costs were £ 822,000 net of interest income which was in line with expectations.

Huveaux ended the year with a strong balance sheet with no borrowings and approximately £ 3.1 million cash in the bank. Cash generation was strong with 93 per cent of pre-tax profits being converted into cash during the year, excluding deferred payments in respect of the Fenman and Lonsdale acquisitions and the payment following exercise of options by the vendors of Parliamentary Communications Limited.

Corporate Philosophy

Huveaux has the objective of building a substantial publishing and media group over the next ten years. After three years of significant achievement, including seven acquisitions, our corporate philosophy remains unchanged:

- Concentration on "must-have" information businesses with strong market positions
- Strong organic growth supplemented by carefully targeted acquisitions
- Increasing pre-tax profits and EPS each year
- All our businesses must be cash generating
- A progressive dividend policy

Staff

We now have approximately 190 employees, of whom approximately 160 are in the UK and 30 are in Paris and Brussels. Our staff represent a valuable resource of the Group, which through our acquisitions in 2004 has been strengthened by significant sales and marketing, editorial and events management expertise.

During the year, we introduced two share incentive schemes to provide staff at all levels with the opportunity to participate in share ownership of Huveaux. Our staff have responded well to a period of rapid change. The Board would like to thank all staff for their continued efforts and hard work, which have been so important to the success of the Group.

Board and Management

During 2004 we continued the strengthening of our board. Kevin Hand, Gerry Murray and Jean-Marie Simon were appointed directors in November, 2004. Five of our eight directors are highly experienced publishers and three have served on FTSE100 company boards. This gives us confidence that we have the management in place to exploit the next phase of our growth.

2004 has been an active year, involving three acquisitions and significant reorganisation and restructuring of the operations under our strengthened senior management team. Gerry Murray now has responsibility for all our UK operations, and Jean-Marie Simon heads our European political activities. Both have actively integrated our acquisitions and positioned the businesses for growth. The benefits of the actions taken this year are expected to flow through for years to come.

Outlook

It is still early in the new financial year, but the results for January and February are encouraging. We are concentrating on achieving strong organic growth during the early months of the year to lay the sound foundations for a successful year. We will also have the benefit of the full year contribution from the three acquisitions made in 2004. In addition, the Board is continuing to evaluate and negotiate acquisitions which meet its strict criteria. Overall the outlook for 2005 is for continued significant growth, enhanced by the expected UK General Election in May.

4 March 2005

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2004

	Note	2004	2003
		£ 000s	£ 000s
Turnover			
Continuing operations	2	**7,572**	4,575
Acquisitions	2	**6,861**	-
		14,433	4,575
Cost of sales		**(6,872)**	(1,497)
Gross profit		**7,561**	3,078
Administrative expenses		**(5,217)**	(1,969)
Exceptional items	3	**(322)**	-
Total administrative expenses		**(5,539)**	(1,969)
Continuing operations	2	**1,281**	1,109
Acquisitions	2	**741**	-
Total operating profit		**2,022**	1,109
Other interest receivable and similar income		**116**	99
Interest payable and similar charges		**(10)**	(3)
Profit on ordinary activities before taxation		**2,128**	1,205
Tax on profit on ordinary activities	4	**(345)**	(250)
Profit for the financial year		**1,783**	955
Dividends on equity shares	5	**(1,065)**	(629)
Retained profit for the year		**718**	326
Adjusted basic earnings per share before exceptional items	6	**2.19 p**	2.01 p
Earnings per share- basic	6	**1.94 p**	2.01 p
Earnings per share – diluted	6	**1.92 p**	2.01 p

The accompanying notes are an integral part of this consolidated profit and loss account.

CONSOLIDATED BALANCE SHEET
At 31 December 2004

	Note	2004 £ 000s	2003 £ 000s
Fixed assets			
Intangible assets	8	**38,046**	19,451
Tangible assets		**800**	515
		38,846	19,966
Current assets			
Stocks		**1,329**	841
Debtors		**4,638**	1,153
Cash at bank and in hand		**3,120**	3,710
		9,087	5,704
Creditors: Amounts falling due within one year		**(8,736)**	(2,901)
Net current assets		**351**	2,803
Total assets less current liabilities		**39,197**	22,769
Creditors: Amounts falling due after more than one year		**(77)**	(1,162)
Provision for liabilities and charges		**-**	(22)
Net assets		**39,120**	21,585
Capital and reserves			
Called-up equity share capital issued	9	**10,646**	7,146
Called-up equity share capital not issued	9	**400**	400
Share premium account		**26,444**	13,157
Merger reserve		**409**	409
Profit and loss account		**1,221**	473
Equity shareholders' funds		**39,120**	21,585

The accompanying notes are an integral part of this consolidated balance sheet.

These financial statements were approved by the board of directors and signed on its behalf by:

John P de Blocq van Kuffeler — Chairman
David B Horne — Finance Director

4 March 2005

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2004

	Note	2004	2003
		£ 000s	£ 000s
Reconciliation of operating profit to net cash flow from operating activities			
Operating profit		**2,022**	1,109
Depreciation charges		**238**	45
Increase in stocks		**(483)**	(106)
Increase in debtors		**(773)**	(258)
Decrease in creditors		**(108)**	(631)
Net cash inflow from operating activities		**896**	159
Cash flow statement			
Cash flow from operating activities		**896**	159
Returns on investments and servicing of finance	10	**106**	96
Taxation		**(49)**	-
Capital expenditure and financial investment	10	**(309)**	(240)
Acquisitions and disposals	10	**(17,122)**	(12,514)
Equity dividends paid		**(629)**	(155)
Management of liquid resources		**(47)**	-
Cash outflow before financing		**(17,154)**	(12,654)
Financing	10	**16,787**	14,763
(Decrease)/increase in cash for the year	11	**(367)**	2,109

Notes to the preliminary announcement
31 December 2004

Note

1. Accounting policies

The financial statements have been prepared on the basis of the accounting policies set out on pages 19, 20 and 21 of the Huveaux PLC Annual Report for 2003, which have been consistently applied, except that the Group now capitalises development costs of new publications and other new products and amortises them over periods between one and five years following the first release of the new product for sale. The impact of these changes for the year ended 31 December 2003 and net assets at that date is not material.

2. Segmental information

All amounts shown relate to one business segment, that of publishing.

	Continuing operations	**Acquisitions**	**Total**	
	2004	**2004**	**2004**	2003
	£ 000s	**£ 000s**	**£ 000s**	£ 000s
Group turnover by geographical area				
United Kingdom	**6,645**	**5,580**	**12,225**	4,060
Continental Europe & rest of world	**927**	**1,281**	**2,208**	515
	7,572	**6,861**	**14,433**	4,575
Operating profit before exceptional items by geographical area				
United Kingdom	**1,182**	**614**	**1,796**	889
Continental Europe & rest of the world	**99**	**127**	**226**	220
	1,281	**741**	**2,022**	1,109
Net assets/(liabilities) by geographical area				
United Kingdom	**38,553**	**(575)**	**37,978**	21,459
Continental Europe	**595**	**547**	**1,142**	126
	39,148	**(28)**	**39,120**	21,585

Head office operating costs of £917,000 (2003: £378,000) have been allocated to operating profits on a pro rata basis.

Exceptional items of £322,000 (2003: nil) were incurred in respect of the United Kingdom totaling £306,000 and Continental Europe & rest of the world totaling £16,000.

3. Exceptional Items

	2004
	£ 000s
Wages and salaries	**182**
Social security costs	**78**
Legal fees	**27**
Redundancy and people related costs	**287**
Provisions for vacant properties	**35**
	322

Immediately following the acquisition of Parliamentary Communications Limited, the Group carried out a significant cost reduction exercise in parts of that business that were loss-making. 18 people left the Group and a property was vacated. Following the integration of our UK Political Division into a single location, 2 further properties were vacated. The exceptional charge for the properties represents the costs incurred in vacating them and provisions for future rental cost, net of expected rental income. There were no exceptional items in the prior year.

4. Taxation

	2004	2003
	£ 000s	£ 000s
UK corporation tax		
Current tax on income for the period	**272**	46
Overaccrual in respect of prior periods	**(4)**	-
	268	46
Double taxation relief	**(5)**	**-**
Foreign tax		
Current tax on income for the period	**5**	-
Total current tax	**268**	46
Deferred tax		
Origination and reversal of timing differences	**371**	275
Deferred tax asset on French losses	**(278)**	-
Impact of discounting	**(16)**	(71)
Total deferred tax	**77**	204
Tax on profit on ordinary activities	**345**	250

5. Dividends

	2004	2003
	£ 000s	£ 000s
Equity shares- Final dividend proposed 1.00p (2003: 0.88p)	**1,065**	629

A final dividend of 1.00 pence per 10p Ordinary share (2003: 0.88 pence per 10p Ordinary share) is recommended and, subject to approval by shareholders, will be paid on 13 May 2005 to shareholders on the register as at 15 April 2005.

6. Earnings per Share

	2004	2003
	£ 000s	£ 000s
Profit attributable to shareholders	**1,783**	955
Add: exceptional items (note 3)	**322**	-
Less: tax in respect of exceptional items	**(97)**	-
Adjusted profit attributable to shareholders	**2,008**	955

	2004	2003
	Shares	Shares
Weighted average number of shares		
In issue during the year – basic	**91,737,954**	47,473,307
Dilutive potential ordinary shares	**1,179,162**	-
Diluted	**92,917,116**	47,473,307
Adjusted basic earnings per share before exceptional items (pence)	**2.19**	2.01
Earnings per share- basic (pence)	**1.94**	2.01
Earnings per share - diluted (pence)	**1.92**	2.01

7. Acquisitions

Each of the following acquisitions has been accounted for by the acquisition method. An analysis of the book value and provisional fair value of the net assets acquired on each is set out below. Publishing rights have, for each acquisition, been valued to reflect their estimated fair values, and each publication can be separately identified and valued.

a) Public Affairs Newsletter
On 5 March 2004 the Group acquired the assets and trade of the Public Affairs Newsletter, a sole proprietorship, excluding the cash of the business.

The following table sets out the book values of the identifiable assets and liabilities acquired and their provisional fair value to the group. All fair values are provisional, awaiting final determination of the balances required.

	Book value £ 000s	Fair value adjustments £ 000s	Fair value £ 000s
Publishing rights	-	818	**818**
Debtors	85	-	**85**
Creditors	(85)	-	**(85)**
Net assets acquired	-	818	**818**
Goodwill			**-**
Total consideration			**818**

Satisfied by:	
Cash paid	**750**
Acquisition costs	**68**
	818

The summarised profit and loss account for the Public Affairs Newsletter for the year ended 31 January 2004 is given below.

	Year ended 31 January 2004 Unaudited £000s
Turnover	**199**
Profit before taxation	**119**

b) Parliamentary Communications Limited
On 6 May 2004 the Group took effective control of Parliamentary Communications Limited.

A number of loss-making activities (investments in and intercompany funding of other business activities controlled by the vendors) and other assets and liabilities were hived out of Parliamentary Communications Limited prior to completion. The book value of these adjustments is as follows:

	Book value £ 000s
Tangible fixed assets	66
Fixed asset investments	588
Creditors	(678)
Net liabilities hived out	(24)

The following table sets out the book values of the identifiable assets and liabilities acquired (after hive-out) and their provisional fair value to the group. The adjustment to tangible fixed assets was made to reduce to zero the net book value of software and leasehold improvements that are no longer used in the operation. The adjustments to stock, deferred tax and creditors were made to ensure consistency of accounting policies The fair value adjustment to debtors reflects write-down to estimated realisable value. All fair values are provisional, awaiting final determination of the balances required.

	Book value £ 000s	Adjustment £ 000s	Fair value £ 000s
Publishing rights	1	17,744	**17,745**
Tangible fixed assets	607	(439)	**168**
Stock	27	(11)	**16**
Debtors	1,730	(51)	**1,679**
Deferred tax	81	510	**591**
Creditors	(3,037)	(937)	**(3,974)**
Net (liabilities)/ assets acquired	(591)	16,816	**16,225**
Goodwill			**-**
Total consideration			**16,225**

Satisfied by	
Cash paid	**15,229**
Deferred consideration	**471**
Acquisition costs	**525**
	16,225

On the date of acquisition, an agreement was entered into for the simultaneous creation and repurchase of a minority interest in the subsidiary. Subsequent to 6 May 2004, options over 9,009,009 ordinary shares of Parliamentary Communications Limited were exercised and £450,000 was paid into that Company. Huveaux PLC controlled 100% of the share capital throughout the post-acquisition period.

The summarised consolidated profit and loss account for Parliamentary Communications Limited for the year ended 30 June 2003 and the period from 1 July 2003 to 30 April 2004, both before hive-out as previously noted, is given below:

	Period ended 30 April 2004 Unaudited £ 000s	Year ended 30 June 2003 Audited £ 000s
Turnover	6,836	7,980
Operating profit/ (loss)	1,099	(437)
Profit/ (loss) before taxation	452	(417)
Taxation	(250)	(271)
Profit/ (loss) after tax	202	(688)

c) ATP Egora SA
On 1 September 2004 the group took effective control of ATP Egora SA.

The following table sets out the book values of the identifiable assets and liabilities acquired and their provisional fair value to the group. The adjustment to deferred tax was made to ensure consistency of accounting policies. All fair values are provisional, awaiting final determination of the balances required.

	Book value	Adjustments	Fair value
	£ 000s	£ 000s	£ 000s
Publishing rights	-	1	**1**
Tangible fixed assets	33	-	**33**
Debtors	330	-	**330**
Deferred tax	-	173	**173**
Cash at bank and in hand	238	-	**238**
Creditors	(287)	-	**(287)**
Net assets acquired	314	174	**488**
Goodwill			-
Total consideration			**488**
Satisfied by:			
Cash paid			**341**
Acquisition costs			**147**
			488

The summarised consolidated profit and loss account for ATP Egora SA for the year ended 31 December 2003 and the period from 1 January 2004 to 31 August 2004 is given below.

	Period ended 31 August 2004 Unaudited	Year ended 31 December 2003 Audited
	£ 000s	£ 000s
Turnover	700	1,294
Operating profit/ (loss)	45	(62)
Profit/(loss) before taxation	19	(632)
Taxation	-	-
Profit/(loss) after tax	19	(632)

8. Intangible fixed assets

	Publishing rights
	£000s
Cost & Net book value	
At 1 January 2004	19,451
Additions	5
Additions through acquisition	18,564
Fair value adjustments	26
At 31 December 2004	38,046

Additions to publishing rights of £5,000 are additional costs in respect of the acquisition of Publications Professionnelles Parlementaires SAS and Fenman Limited.

Fair value adjustments to publishing rights of £26,000 are in respect of changes to the provisional fair values of Fenman Limited, as follows:

	£000s
Stock (finished goods)	59
Creditors (accruals and deferred income)	28
Debtors (trade debtors)	4
Cost of sales	(39)
Tangible fixed assets (additions through acquisition)	(15)
Turnover (continuing operations)	(11)
	26

The directors' impairment review of intangible assets used a discount rate of 10% in the net present value calculation of the carrying value.

9. Called-up share capital

Company	**2004**	2003
	£ 000s	£ 000s
Authorised:		
Equity : 175,000,000 (2003: 120,000,000) ordinary shares of 10p each	**17,500**	12,000
Allotted, called-up and fully paid:		
Equity: 106,464,730 (2003: 71,464,730) ordinary shares of 10p each	**10,646**	7,146
Equity shares to be issued	**400**	400

During the year the company issued 35,000,000 ordinary shares of 10p each for consideration of £3,500,000 and share premium of £13,287,000 net of expenses.

Shares to be issued of £400,000 relates to the settlement of contingent consideration in relation to the acquisition of Lonsdale SRG in 2003.

Share options
The following options over 10p ordinary shares have been granted and are outstanding at 31 December 2004 :

	Number of shares of year
Unapproved Executive Share Option Scheme	
Outstanding options at 1 January 2004	-
Granted during the year	3,136,925
Outstanding options at 31 December 2004	3,136,925

		2004 Number of shares	Exercise price	Exercise date
Outstanding options are analysed as follows:				
Granted in May 2004:				
EMI options	878,000		65.0p	May 2007- 2014
Unapproved options	763,000		65.0p	May 2007- 2014
		1,641,000		
Granted in November 2004:				
Unapproved options	1,495,925		54.0p	November 2007-2014
		1,495,925		
Outstanding options at 31 December 2004		3,136,925		
Comprising:				
EMI options		878,000		
Unapproved options		2,258,925		
Outstanding options 31 December 2004		3,136,925		

	Number of shares
Savings related share option scheme	
Outstanding options at 1 January 2004	-
Granted during the year	585,643
Lapsed during the year	(6,228)
Outstanding options at 31 December 2004	579,415

	2004 Number of shares	Exercise price	Exercise date
Outstanding options analysed as follows:			
Granted in June 2004	145,605	52.5p	July 2007-2009
Granted in September 2004	433,810	44.0p	November 2007- 2009
Outstanding options at 31 December 2004	579,415		

10. Analysis of cash flows

	2004	2003
	£ 000s	£ 000s
Returns on investment an servicing of finance		
Interest and similar income received	**116**	99
Interest paid	**(10)**	(3)
	106	96
Capital expenditure and financial investment		
Purchase of tangible fixed assets	**(304)**	(231)
Purchase of intangible fixed assets	**(5)**	(9)
	(309)	(240)
Acquisitions and disposals		
Purchase of subsidiary undertakings and assets	**(17,060)**	(12,866)
Lonsdale deferred consideration paid	**(300)**	-
Cash acquired on acquisition of subsidiary	**238**	352
	(17,122)	(12,514)
Financing		
Short term funding received	**-**	1,380
Short term funding paid	**-**	(1,380)
Issue of Ordinary share capital	**17,500**	15,573
Expenses paid in connection with share issue	**(713)**	(810)
	16,787	**14,763**

11. Analysis of net funds

	At beginning of year	Cash flow	Exchange movement	At end of year
		£ 000s	£ 000s	£ 000s
Cash at bank and in hand	3,710	(607)	17	3,120
Debt due within one year	(240)	240	-	-
	3,470	**(367)**	**17**	**3,120**

12. Post balance sheet events

Payments totalling £1,100,000 of deferred consideration in respect of the Lonsdale acquisition were settled in full on 16 February 2005.

A payment of £471,000 of deferred consideration in respect of the Parliamentary Communications Limited acquisition was paid on 2 March 2005.

13. The financial information set out above does not constitute the company's statutory accounts for the years ended 31 December 2004 or 2003 but is derived from those accounts. Statutory accounts for 2003 have been delivered to the registrar of companies, and those for 2004 will be delivered following the company's annual general meeting. The auditors have reported on those accounts; their reports were unqualified and did not contain statements under section 237(2) or (3) of the Companies Act 1985.