BASIL BLACKWELL AND MOTT LIMITED

REPORT OF THE DIRECTORS

Your Directors have pleasure in submitting their Annual Report and Audited Accounts of the Company for the year ended 31st August 1973.

Directors

At the date of the report the Board of Directors comprised:

Sir Basil Blackwell (Chairman)
H. L. Schollick, O.B.E.
Richard Blackwell
Julian Blackwell
J. K. D. Feather
J. A. Cutforth
J. E. Critchley, J.P., F.C.A.
P. G. Saugman
A. T. Hale
M. A. Holmes, A.C.A.

Secretary

M. A. Holmes, A.C.A.

Registered Office

Alfred Street, Oxford

Share Capital

The interests of the directors and their families at 31st August 1973 in the shares of the Company are shown below. Apart from the alterations shown the directors shareholdings have not changed since 1st September 1972.

Family and Beneficial Interests	Ordinary Shares	Redeemable Preference Shares	Preference Shares
Sir Basil Blackwell (1.9.72 690 Ord)	590	2190	6450
Richard Blackwell	1750	50	350
Julian Blackwell	2400	600	900
H. L. Schollick	210	-	-
J. A. Cutforth	160	110	840
J. E. Critchley (1.9.72 350 Ord)	450	90	830
J. K. D. Feather	200	-	-
Non-Beneficial Interests			
Richard Blackwell	1020	1800	8100
J. E. Critchley	-	2000	10150

Activities of the Group

The main activities of the group companies are:-

Basil Blackwell and Mott Ltd	-	Publishing
Kemp Hall Bindery Ltd	-	Book Binding
Morley Bros Ltd	-	Book Binding

BASIL BLACKWELL AND MOTT LIMITED

REPORT OF THE DIRECTORS (Continued)

Accounts

	£	£
The Group Profit after taxation (including Associated Companies £85234) for the year ended 31st August 1973 was		160948
From this must be deducted:		
Transfer to Fixed Assets Replacement Reserve		4000
Leaving Unappropriated Profits of		156948
Your Directors recommend that dividends be paid as follows:		
On Ordinary Shares 10.5% (Net)	1050	
On Preference Shares 5.6% (Net)	3360	4410
Leaving retained profits for the year of:		
Parent Company	50685	
Subsidiary Companies	16619	
Associated Companies	85234	£152538

Exports

The value of goods exported from the United Kingdom included in the total turnover was £167,771 (1972 - £147,033).

Employees

The average weekly number of employees in the group during the financial year was 161 and their aggregate remuneration was £183,329.

Dividend

The dividends recommended by the Directors as shown above have already been paid. The increase in the Ordinary dividend is the maximum amount allowed under the Government's counter inflation regulations.

Property

The Directors are of the opinion that whilst a revaluation of all the group properties would show a market value in excess of book value, the excess would not be sufficiently significant in relation to the groups operations as a whole, bearing in mind potential tax liabilities, to justify the expense of such a revaluation.

Auditor

The Auditors, Critchley, Ward and Pigott, Chartered Accountants, appointed at the Annual General Meeting held on 7th June 1973, will be re-appointed under Section 159 (2) of the Companies Act 1948.

ON BEHALF OF THE BOARD

M. A. HOLMES
Secretary

Oxford
29th October 1974

BASIL BLACKWELL AND MOTT LIMITED AND SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST AUGUST 1973

	1973 £	1973 £	1972 £	1972 £
Turnover (being invoiced sales excluding inter-company transactions)		753683		677230
Trading Profit for the year (Note 1)		86273		42258
Investment Income from Unquoted Companies (Note 2)		19651		11803
Interest Receivable		11290		8471
Group Profits		117214		62532
Share of Profits of Associated Companies		153881		75552
Profit before Taxation		271095		138084
Taxation - Group	41500		22035	
" Associated Companies	68647	110147	35730	57765
Group Profit after Taxation		160948		80319
Deduct Interests of Minority Shareholder in Profits)	-		4	
Transfer to Fixed Assets Replacement Reserve	4000	4000	4000	4004
Group Profit for the year attributable to members of the Holding Company		156948		76315
Appropriations				
Proposed Ordinary Dividend 10.5p equivalent to 15.0%	1050		1500	
Proposed Preference Dividend equivalent to 8%	3360	4410	4800	6300
Dividends are after taking into account the appropriate Tax Credits				
Profit Retained for the year		£152538		£70015
By Holding Company		50685		25579
By Subsidiary Companies		16619		4614
By Associated Companies		85234		39822
		£152538		£70015

BASIL BLACKWELL AND MOTT LIMITED
AND SUBSIDIARY COMPANIES

NOTES ON CONSOLIDATED PROFIT AND LOSS ACCOUNT

	1973	1972
	£	£
1. Trading Profit is after charging:-		
a) Directors' Emoluments		
Fees as Directors	11000	8450
Management Remuneration	23682	14870
Payments to Retired Directors	800	2155
	35482	25475
Detailed Particulars:-		
Number of Directors whose emoluments, excluding Pension Scheme Contributions, were Nil or not in excess of £2500	4	6
Exceeded £2500 but not £5000	3	1
Exceeded £5000 but not £7500	2	2
Chairman's Remuneration	2200	2277
Highest Paid Director's Remuneration	6253	6128
b) Depreciation on Machinery, Fixtures and Vehicles	11433	13393
c) Loan Interest		
Bank Loans and Overdrafts	1431	1358
Loans Repayable wholly within 5 years)	-	267
Other Loans	6075	6075
	7506	7700
d) Auditors Remuneration	1400	1300
2. Income from Unquoted Companies -		
Associated Companies	16257	11689
Other	3394	114
	19651	11803
3. Taxation - Group		
Corporation Tax on Profits of the year	39500	16902
Danish withholding Tax on Dividend Received)	-	233
	39500	17135
Less Relief for double taxation)	-	1600
	39500	15535
Deferred Taxation	2000	6500
	41500	22035

BASIL BLACKWELL AND MOTT LIMITED

BALANCE SHEET AS AT 31ST AUGUST 1973

	1973 £	1973 £	1972 £	1972 £
CAPITAL EMPLOYED				
SHARE CAPITAL (Note 1)		70000		70000
CAPITAL RESERVE (Note 2)		61146		10209
PROFIT AND LOSS ACCOUNT (Note 4)		312531		258734
		443677		338943
DEFERRED TAXATION RESERVE		5000		3000
		£448677		£341943
EMPLOYMENT OF CAPITAL				
FIXED ASSETS (Note 7)		57739		69695
SUBSIDIARY COMPANY (Note 8)		36700		32882
INVESTMENT IN ASSOCIATED COMPANIES (Note 9)		62699		62699
INVESTMENT IN UNQUOTED COMPANIES at cost		200		200
TRADE INVESTMENT		28942		9
SHORT TERM LOAN		68000		-
CURRENT ASSETS				
Stock (Note 10)	239832		209326	
Debtors and Prepayments	215943		166200	
Bank and Cash Balances	1823		4194	
	457598		379720	
LESS CURRENT LIABILITIES				
Creditors and Accruals	205747		174941	
Taxation	53044		22021	
Proposed Dividends	4410		6300	
	263201		203262	
NET CURRENT ASSETS		194397		176458
		£448677		£341943

[illegible]

CONSOLIDATED BALANCE SHEET AS AT 31ST AUGUST 1973

	1973 £	1973 £	1972 £	1972 £
CAPITAL EMPLOYED				
SHARE CAPITAL (Note 1)		70000		70000
CAPITAL RESERVES (Note 2)		63991		13054
REVENUE RESERVES (Note 3)		31682		26932
PROFIT AND LOSS ACCOUNT (Note 4)		775992		623444
		941665		733430
MINORITY INTERESTS IN SUBSIDIARIES)		-		1913
INTEREST IN SUBSIDIARY (Note 11)		1047		-
DEFERRED TAXATION		28500		26500
LOANS (Note 5)		87500		87500
		£1058712		£849343
EMPLOYMENT OF CAPITAL				
FIXED ASSETS (Note 6)		251175		256258
INVESTMENTS IN ASSOCIATED COMPANIES (Note 9)		458660		373426
INVESTMENT IN UNQUOTED COMPANIES at cost		200		200
TRADE INVESTMENT		28942		9
SHORT TERM LOAN		68000		-
CURRENT ASSETS				
Stocks (Note 10)	268415		235844	
Debtors and Prepayments	299897		241152	
Bank and Cash Balances	1856		4380	
	570168		481376	
LESS CURRENT LIABILITIES				
Bank Overdrafts	12735		21164	
Creditors and Accruals	241144		200972	
Taxation	60144		33490	
Proposed Dividends	4410		6300	
	318433		261926	
NET CURRENT ASSETS		251735		219450
		£1058712		£849343

BASIL BLACKWELL)
) Directors
J.K.D. FEATHER)

AUDITORS REPORT TO THE MEMBERS OF BASIL BLACKWELL AND MOTT LIMITED

In our opinion the accounts set out on pages 3 to 9 together give, so far as concerns members of the holding company, a true and fair view of the state of affairs at 31st August 1973 and of the profit for the year ended on that date and comply with the Companies Acts 1948 and 1967.

Critchley, Ward and Pigott
Chartered Accountants

[illegible]
[illegible] 1974

BASIL [illegible] LIMITED

[illegible]

NOTES ON BALANCE SHEETS AS AT 31ST AUGUST 1973

	1973 Company £	1973 Group £	1972 Company £	1972 Group £
1. Share Capital (Authorised & Issued)				
Ordinary Shares of £1 each fully paid	10000		10000	
5% Participating Cumulative Preference Shares of £1 each fully paid	50000		50000	
5% Redeemable Participating Cumulative Preference Shares of £1 each fully paid (Redeemable at the option of the Company upon giving to the holders six months notice at 105p a share)	10000		10000	
	70000		70000	
2. Capital Reserves				
Balance at 1st September 1972	10209	13054	10209	13054
Add Surplus on Sale of 33 St.Aldates	58437	58437		
Less Provision for Capital Gains Tax	(7500)	(7500)		
	61146	63991	10209	13054
3. Revenue Reserves				
Investment Grants				
Balance at 1st September 1972 and 31st August 1973		3670		3670
Fixed Assets Replacement Reserve				
Balance at 1st September 1972		21012		17012
Transfer from Profit and Lo[illegible]count		4000		4000
		25012		21012
Dilapidations				
Balance at 1st September 1972		2250		1500
Transfer from Profit and Loss Account		750		750
		3000		2250
Total		£31682		£26932

	1973 Company £	1973 Group £	1972 Company £	1972 Group £
4. Profit and Loss Account				
Balance at 1st September 1972	258734	623444	231858	571357
Taxation Provisions in earlier years no longer required	3112	2512	1297	2072
	261846	625956	233155	573429
Adjustment necessary on non-consolidation of Subsidiary Company (Note 11)		502		
Transferred to Deferred Taxation		2000	-	20000
	261846	623454	233155	553429
Profit for the year retained	50685	152538	25579	70015
Balance at 31st August 1973	312531	775992	258734	623444
Holding Company		312531		258734
Subsidiary Companies		67500		53983
Associated Companies		[illegible]		310727
		775992		623444

[illegible]

[illegible]

NOT[illegible] 31ST AUGUST 1973 ([illegible])

	1973	1972
5. Loans (Group)		
Unsecured		
1% Over Bank Rate repayable within 5 years	7500	[illegible]00
Secured		
7½% Repayable by 1990	70000	[illegible]00
8¼% Repayable by 199[illegible]	[illegible]0000	[illegible]0000
	[illegible]0	87500

6. Fixed [illegible] (Group)

	Freehold Property	Machinery, Fixtures & Vehicles	Goodwill arising on Consolidation	Total
	£	£	£	£
Cost at 1st September 1972	225472	148383		373855
Additions	-	23657		23657
Dis[illegible]	(16010)	(2711)		(18721)
Cost at [illegible]	209462	169329		378791
Accum[illegible]ted [illegible]tion				
At 1s[illegible] September 1972	11[illegible]49	[illegible]		117742
Disposals	-	(1559)		(1559)
Charge for [illegible]	-	[illegible]		11433
At 31st August	11949	[illegible]566[illegible]	-	127616
Net Book Value				
At 31st August 1973	197[illegible]		-	251175
At 31st August 1972	21352[illegible]	[illegible]	145	256258

7. Fixed Assets (Company)

	Freehold Property	Machinery, Fixtures and Vehicles	Total
	£	£	£
Cost at 1st September 1972	65302	28800	94102
Additions	-	9372	9372
Disposals	(16010)	(2711)	(18721)
Cost at 31st August 1973	49292	35461	84753
Accumulated Depreciation			
At 1st September 1972	11949	12458	24407
Disposals	-	(1559)	(1559)
Charge for year	-	4166	4166
At 31st August 1973	11949	15065	27014
Net Book Value			
At 31st August 1973	37343	20396	577[illegible]
At 31st August 1972	53353	16342	6[illegible]695

[illegible]

[illegible]

[illegible]	1973	1972
0% holdings of equity capital	£	£
[illegible] Bindery Ltd (Incorporated in Great Britain)		
hares at cost	20000	20000
oan	23244	23244
	43244	43244
ess Amount due to Subsidiary	6544	10362
	36700	32882

estment in Associated Companies

[illegible] following are Associated Companies of Basil Blackwell & Mott Ltd.

pany	Country of Incorporation	Description of Equity	Percentage of Equity held
ackwell Scientific Publications Ltd	United Kingdom	Ordinary and Preferred Ordinary	29.4
akespeare Head Press Ltd	United Kingdom	Ordinary	49.6
nar Munksgaard	Denmark	Ordinary	35.0

	1973	1972
oup Balance Sheets	£	£
hareholdings - Unquoted at cost plus bonus issues and undistributed profits	458660	373426
lding Company Balance Sheet		
hareholdings - Unquoted at cost	62699	62699

ocks

. Publishing - Stock and Work in Progress have been taken at cost or net realisable value, whichever is the lower, on bases and methods applied consistently over the years.

. Binding - Stock has been valued at cost after deduction for slow, old or obsolete stock. Work in Progress has been valued at cost after an addition for the degree of work done to 31st August 1973. Both bases of valuation have been applied consistently over many years.

terest in Subsidiary

In the opinion of the Directors, Morley Bros.Limited, a subsidiary of Kemp Hall Bindery Ltd., has not traded during the year ended 31st August 1973 and accordingly they consider it inappropriate to consolidate the accounts of the subsidiary company.