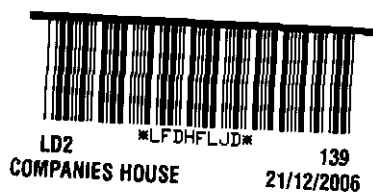


Ramboro Books Limited

FINANCIAL STATEMENTS

for the 18 months ended

28 February 2006



Company Registration No. 456595

Ramboro Books Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

MD Connole
NRA Butterfield

REGISTERED OFFICE

151 Freston Road
London
W10 6TH

AUDITORS

Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

Ramboro Books Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Ramboro Books Limited for the period 1 September 2004 to 28 February 2006.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

Ramboro Books Limited (formerly Ramboro Books PLC) reregistered as a private company on 9 February 2006.

The principal activity of the company was that of publishers and wholesalers of books and publications. The imprint "Robson Books", under which the company traded, was transferred to the immediate holding company, Anova Books Company Limited, on 23 November 2005.

RESULTS AND DIVIDENDS

The loss for the period after taxation amounted to £4,657,762 (year ended 31 August 2004: profit of £522,126).

The directors do not recommend the payment of a dividend (year ended 31 August 2004: £Nil).

DIRECTORS

The following directors have held office since 1 September 2004:

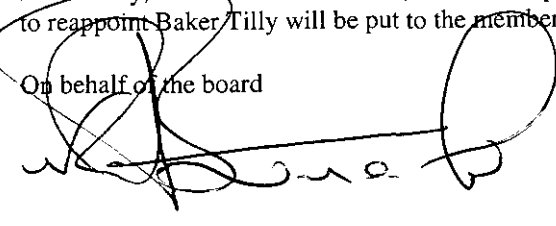
MD Connoles	(appointed 28 February 2006)
DM Proffit	(appointed 23 November 2005 and resigned 23 November 2005)
P Powell	(appointed 23 November 2005 and resigned 23 November 2005)
RLK Wood	(appointed 23 November 2005 and resigned 23 November 2005)
PA Lassman	(resigned 1 September 2005)
NRA Butterfield	
R Cortie	(resigned 28 February 2006)
T Finch	(resigned 28 February 2006)
NM Lassman	(resigned 1 September 2005)
PR Lenton	(resigned 23 November 2005)

Neither of the directors who held office at the end of the financial period had any disclosable interest in the shares of the company or of its ultimate holding company, Anova Books Group Limited.

AUDITORS

Baker Tilly, Chartered Accountants, have been appointed as auditors in place of KPMG Audit Plc. A resolution to reappoint Baker Tilly will be put to the members at the annual general meeting.

On behalf of the board



NRA Butterfield
Director

20 December 2006

Ramboro Books Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RAMBORO BOOKS LIMITED

We have audited the financial statements on pages 5 to 14.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 directors 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 28 February 2006 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Baker Tilly

BAKER TILLY
Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

20 DECEMBER 2006

Ramboro Books Limited
PROFIT AND LOSS ACCOUNT
for the 18 months ended 28 February 2006

	<i>Notes</i>	18 months to 28 February 2006 £	Year to 31 August 2004 £
TURNOVER	1	8,191,670	8,333,211
Cost of sales		(6,322,513)	(4,387,942)
GROSS PROFIT		<u>1,869,157</u>	<u>3,945,269</u>
Selling and distribution costs		(1,370,316)	(1,143,400)
Administrative expenses		(3,071,077)	(2,091,795)
OPERATING (LOSS) PROFIT	2	<u>(2,572,236)</u>	<u>710,074</u>
Exceptional item	3	(1,938,007)	-
(LOSS) PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		<u>(4,510,243)</u>	<u>710,074</u>
Interest payable	4	(147,519)	(3,483)
(LOSS) PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(4,657,762)</u>	<u>706,591</u>
Taxation	7	-	(184,465)
LOSS) PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	15	<u>(4,657,762)</u>	<u>522,126</u>

The operating loss for the period arises from the company's operations, which were discontinued during the period.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the 18 months ended 28 February 2006

	18 months to 28 February 2006 £	Year to 31 August 2004 £
(LOSS) PROFIT FOR THE FINANCIAL YEAR	(4,657,762)	522,126
Prior period adjustment	-	(97,946)
TOTAL RECOGNISED GAINS AND LOSSES SINCE THE LAST ANNUAL REPORT	<u>(4,657,762)</u>	<u>424,180</u>

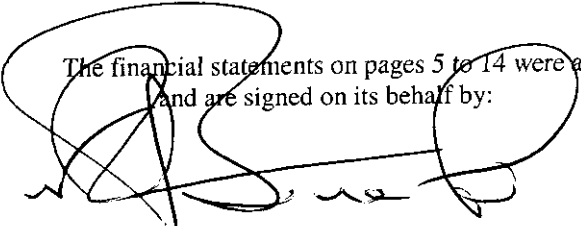
Ramboro Books Limited

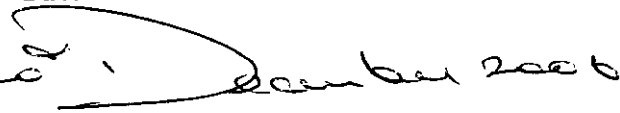
BALANCE SHEET

28 February 2006

	Notes	28 February 2006 £	31 August 2004 £
FIXED ASSETS			
Intangible fixed assets	8	-	142,905
Tangible fixed assets	9	-	28,746
Investments	10	-	1,355,121
		<u>-</u>	<u>1,526,772</u>
CURRENT ASSETS			
Stocks	11	-	1,885,991
Debtors	12	249,067	4,492,385
Cash at bank and in hand		435,855	-
		<u>684,922</u>	<u>6,378,376</u>
CREDITORS: Amounts falling due within one year	13	(3,811,618)	(6,374,082)
NET CURRENT (LIABILITIES) ASSETS		<u>(3,126,696)</u>	<u>4,294</u>
NET (LIABILITIES) ASSETS		<u>(3,126,696)</u>	<u>1,531,066</u>
CAPITAL AND RESERVES			
Called up share capital	15	50,000	50,000
Profit and loss account	16	(3,176,696)	1,481,066
EQUITY SHAREHOLDERS' FUNDS (DEFICIT)	17	<u>(3,126,696)</u>	<u>1,531,066</u>

The financial statements on pages 5 to 14 were approved and authorised for issue by the board of directors on
and are signed on its behalf by:


NRA Butterfield
Director


20 January 2006

Ramboro Books Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and are prepared in accordance with applicable Accounting Standards. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

TURNOVER

Turnover comprises the value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts.

GOODWILL AND PUBLISHING RIGHTS

For acquisitions since 1 September 1998, purchased goodwill has been capitalised and included within intangible fixed assets and is amortised on a straight line basis to profit and loss account over its estimated economic life, subject to a maximum of twenty years.

Goodwill is subject to impairment review in the year following acquisition and in subsequent years when the circumstances require it. Such reviews are carried out in accordance with Financial Reporting Standard 11.

Publishing rights

Publishing rights are valued at cost less accumulated amortisation and provision for impairment. Amortisation is calculated to write off the cost in equal annual instalments over the estimated useful life of the publishing rights of twenty years.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Motor vehicles	25% straight line
----------------	-------------------

LEASING AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

STOCKS AND WORK IN PROGRESS

Stocks of published books are valued at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the books to their present location and condition, including the initial print run and the proportional allocation of all editorial, origination and printing costs.

Stocks of books which have been held for between one and three years are written off on a formula to reflect their diminishing net realisable value. Net realisable value is based on estimated selling price less any further costs expected to be incurred on disposal.

Work in progress includes all the costs incurred in bringing a book to publication. All work in progress is transferred to finished goods on publication of the relevant book.

FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit or loss.

Ramboro Books Limited

ACCOUNTING POLICIES

PENSIONS

The company contributes towards defined contribution pension schemes. Contributions are charged to the profit and loss account and the pension charge represents the amounts paid during the period by the company.

ROYALTIES RECEIVABLE

Royalty income is included on a receivable basis calculated on sales of books arising during each accounting period as reported by licensees.

ROYALTIES PAYABLE

Royalties payable are expensed on an accruals basis. Royalty advances paid are carried forward where it is estimated that sufficient future royalties will be earned for recoupment of those advances.

DEFERRED INCOME

Sales to co-edition partners are recognised upon delivery of the books. Amounts invoiced prior to delivery are credited to deferred income and carried on the balance sheet until the books are delivered.

DEFERRED TAXATION

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date. Deferred tax liabilities are recognised in all cases, but deferred tax assets are only recognised where recovery is more likely than not.

GOING CONCERN

In view of the loss for the period and the deficit of assets at 28 February 2006, the directors have considered the continued application of the going concern basis to these financial statements. The directors have received assurances from other members of the Anova Books group that they will not request payment of the amounts due to them by the company unless the company is in a position to pay such amounts without prejudicing its ability to meet its other liabilities as and when they fall due. Anova Books Group has also confirmed that it will provide funds to the company to enable it to pay its other liabilities if required. Consequently the directors consider that it remains appropriate to prepare the financial statements on a going concern basis.

Ramboro Books Limited

NOTES TO THE FINANCIAL STATEMENTS

for the 18 months ended 28 February 2006

1 TURNOVER

The whole of the turnover is attributable to sales of books.

A geographical analysis of turnover is as follows:

	18 months to 28 February 2006 £	Year to 31 August 2004 £
United Kingdom	4,884,573	5,152,172
Europe	757,470	833,957
North America	970,150	785,403
Australasia	516,647	-
Rest of world	1,062,830	1,561,679
	<u>8,191,670</u>	<u>8,333,211</u>

2 OPERATING (LOSS) PROFIT

	18 months to 28 February 2006 £	Year to 31 August 2004 £
--	--	-----------------------------------

The operating (loss) profit is stated after charging:

Amortisation of intangible fixed assets	12,657	10,126
Impairment of intangible fixed assets	130,248	-
Depreciation of tangible fixed assets:		
owned by the company	-	14,261
held under finance leases	-	11,968
Foreign exchange losses	-	69,961
	<u></u>	<u></u>

Auditors' remuneration has been borne by C & B Publishing Limited on behalf of all companies in the Anova Books group.

3 EXCEPTIONAL ITEM

	18 months to 28 February 2006 £	Year to 31 August 2004 £
Costs relating to the cessation of operations	<u>1,938,007</u>	<u>-</u>

The exceptional item represents costs relating to the cessation of trade, including staff redundancies and stock write downs.

4 INTEREST PAYABLE

	18 months to 28 February 2006 £	Year to 31 August 2004 £
Intercompany loans	147,519	-
Finance leases and hire purchase contracts	-	1,483
Other loans	-	2,000
	<u>147,519</u>	<u>3,483</u>

Ramboro Books Limited

NOTES TO THE FINANCIAL STATEMENTS for the 18 months ended 28 February 2006

5	STAFF COSTS	18 months to 28 February 2006 No.	Year to 31 August 2004 No.
	The average monthly number of persons (including directors) employed by the company during the year was:		
	Office, management and administration	19	17
		£	£
	Staff costs:		
	Wages and salaries	1,145,719	677,981
	Social security costs	139,645	77,251
	Other pension costs	101,735	26,813
		1,387,099	782,045
6	DIRECTORS' REMUNERATION	18 months to 28 February 2006 £	Year to 31 August 2004 £
	Emoluments	245,051	134,340
	Company pension contributions	4,125	5,250
	The highest paid director's emoluments were £118,553 (year ended 31 August 2004: £71,989), in addition to which the company paid pension contributions of £4,125 (year ended 31 August 2004: £2,750) on his behalf. One director (year ended 31 August 2004: 2) accrued pension benefits under defined contribution arrangements during the period.		
7	TAXATION	18 months to 28 February 2006 £	Year to 31 August 2004 £
	UK corporation tax charge on (loss) profit for the period	-	213,849
	Adjustments in respect of prior years	-	(29,384)
	Tax on (loss) profit on ordinary activities	-	184,465
	Factors affecting tax charge for the period		
	The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:		
	(Loss) profit on ordinary activities before tax	(4,657,762)	706,591
	(Loss) profit on ordinary activities multiplied by the relevant standard rate of corporation tax in the UK of 30%	(1,397,329)	211,977
	Effects of:		
	Expenses not deductible for tax purposes	130,036	5,813
	Capital allowances for the period in excess of depreciation	(18,914)	(35)
	Group relief surrender	1,286,207	-
	Utilisation of tax losses brought forward	-	(3,906)
	Adjustments in respect of prior years	-	(29,384)
	Current tax charge for the period		184,465

Ramboro Books Limited
NOTES TO THE FINANCIAL STATEMENTS
for the 18 months ended 28 February 2006

8	INTANGIBLE FIXED ASSETS	Publishing rights £	Goodwill £	Total £
	Cost			
	At 1 September 2004 and 28 February 2006	140,000	62,874	202,874
	Amortisation and impairment			
	At 1 September 2004	41,416	18,553	59,969
	Charged in the period	8,734	3,923	12,657
	Impairment charge	89,850	40,398	130,248
	At 28 February 2006	140,000	62,874	202,874
	Net book value			
	At 28 February 2006	-	-	-
	At 31 August 2004	98,584	44,321	142,905
9	TANGIBLE FIXED ASSETS			Motor vehicles £
	Cost			
	At 1 September 2004			113,519
	Intra group transfers			(113,519)
	At 28 February 2006			-
	Depreciation			
	At 1 September 2004			84,773
	Intra group transfers			(84,773)
	At 28 February 2006			-
	Net book value			
	At 28 February 2006			-
	At 31 August 2004			28,746

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	28 February 2006 £	31 August 2004 £
Motor vehicles	-	18,052

Ramboro Books Limited

NOTES TO THE FINANCIAL STATEMENTS for the 18 months ended 28 February 2006

10	FIXED ASSET INVESTMENTS	Investment in subsidiary company £
	Cost	
	At 1 September 2004	1,355,121
	Intra-group transfer	(1,355,121)
	At 28 February 2006	-
	Provision	
	At 1 September 2004	-
	Profit and loss account	1,355,121
	Intra-group transfer	(1,355,121)
	At 28 February 2006	-
	Net book value	
	At 28 February 2006	-
	At 31 August 2004	1,355,121

Details of the subsidiary company, which was wholly owned, are:

	Country of registration	Principal activity	Class of shares
Salamander Books Limited	England and Wales	Book Publishing	Ordinary and preference

As the company is a wholly owned subsidiary of Anova Books Group Limited, which prepares consolidated financial statements, the company has not prepared consolidated financial statements. The financial statements therefore present information about the company and not about its group.

The investment in Salamander Books Limited was transferred to the company's intermediate holding company, Anova Books Company Limited, during the period.

11	STOCKS	28 February 2006 £	31 August 2004 £
	Work in progress	-	38,085
	Finished goods	-	1,847,906
		-	1,885,991

Ramboro Books Limited

NOTES TO THE FINANCIAL STATEMENTS

for the 18 months ended 28 February 2006

12	DEBTORS	28 February 2006 £	31 August 2004 £
	Due within one year:		
	Trade debtors	249,067	3,451,017
	Other debtors	-	791,386
	Prepayment and accrued income	-	249,982
		<u>249,067</u>	<u>4,492,385</u>

13	CREDITORS: Amounts falling due within one year	28 February 2006 £	31 August 2004 £
	Trade creditors	79,341	664,761
	Amounts owed to group undertakings	3,006,009	5,120,703
	Obligations under finance leases and hire purchase contracts	-	10,088
	Other creditors	-	258,546
	Accruals and deferred income	726,268	319,984
		<u>3,811,618</u>	<u>6,374,082</u>

14 DEFERRED TAXATION

The company has a deferred tax asset as follows, which is not recognised in the financial statements because the directors believe that it is unlikely to be recovered in the short term:

	28 February 2006 £	31 August 2004 £
Difference between accumulated depreciation and capital allowances	-	18,914

The deferred tax asset is shown at a corporation tax rate of 30% and may be recovered against future profits from the same trade.

15	SHARE CAPITAL	28 February 2006 £	31 August 2004 £
	Authorised, allotted, called up and fully paid 50,000 ordinary shares of £1 each	50,000	50,000
16	PROFIT AND LOSS ACCOUNT		£
	At 1 September 2004		1,481,066
	Loss for the period		(4,657,762)
	At 28 February 2006		<u>(3,176,696)</u>

Ramboro Books Limited

NOTES TO THE FINANCIAL STATEMENTS for the 18 months ended 28 February 2006

17	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS (DEFICIT)	18 months to 28 February 2006 £	Year to 31 August 2004 £
	Opening shareholders' funds	1,531,066	1,008,940
	(Loss) profit for the period	(4,657,762)	522,126
	Closing shareholders' funds (deficit)	<u>(3,126,696)</u>	<u>1,531,066</u>

18 GUARANTEES AND COMMITMENTS

The company's assets are charged as security for all amounts owed by members of the Anova Books group to Chrysalis Group PLC.

19 CONTINGENT LIABILITIES

The company is a member of a group VAT registration with all other companies in the Anova Books group and, under the terms of the registration, is jointly and severally liable for the VAT payable by all members of the group. At 28 February 2006 the company had no potential liability under the terms of the registration.

20 RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of Anova Books Group Limited at the balance sheet date and the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Anova Books Group Limited for the period to 28 February 2006, within which the company is included, can be obtained from the address given in note 22.

Until 23 November 2005, the company was a wholly owned subsidiary of Chrysalis Group Plc, which also prepares consolidated financial statements, and transactions between the company and other members of the Chrysalis group prior to that date have also not been disclosed in accordance with the exemption in Financial Reporting Standard 8.

21 CASH FLOW STATEMENT

The company is exempt from the requirement of Financial Reporting Standard 1 (revised 1996) to produce a cash flow statement on the grounds that its ultimate parent undertaking, Anova Books Group Limited, has included the cash flows of the company for the period to 28 February 2006 in its own consolidated cash flow statement.

22 CONTROLLING PARTIES AND ULTIMATE HOLDING COMPANY

Anova Books Company Limited, a company incorporated in Great Britain and registered in England and Wales, is the company's immediate holding company and Chrysalis Group PLC, a company incorporated in Great Britain and registered in England and Wales, was the ultimate holding company until 23 November 2005. The consolidated financial statements of Chrysalis Group PLC may be obtained from The Secretary, Chrysalis Group PLC, The Chrysalis Building, Bramley Road, London W10 6SP.

The ultimate holding company became Anova Books Group Limited on 23 November 2005. The consolidated financial statements of Anova Books Group Limited for the period to 28 February 2006 may be obtained from The Secretary, Anova Books Group Limited, 151 Freston Road, London W10 6TH. Anova Books Group Limited is incorporated in Great Britain and registered in England and Wales.