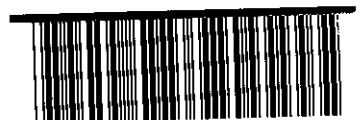


# **Allen Lane The Penguin Press Limited**

**(Registered Number 861772)**

**Report And Financial Statements  
For The Year Ended 31 December 2000**



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# **Allen Lane The Penguin Press Limited**

## **Report And Financial Statements**

**For The Year Ended 31 December 2000**

<b>Directors</b>	A Forbes Watson	
	C Power	(Appointed 26 July 2000)
	C Engle	(Resigned 21 June 2000)

<b>Secretary</b>	H Peacock
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<b>Registered Office</b>	80 Strand
	London
	WC2R ORL

# **Allen Lane The Penguin Press Limited**

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# **Allen Lane The Penguin Press Limited**

## **Directors' Report**

The directors present their report and the financial statements of the company for the year ended 31 December 2000.

## **Principal Activities And Business Review**

The principal activity of the company continues to be the acquisition and publishing of books in association with its parent undertaking, Penguin Books Limited.

## **Euro**

The company's transactions are recorded on the systems of its parent undertaking, Penguin Books Limited. A review of the impact of the introduction of the Euro has been undertaken on these systems by Penguin Books Limited and details can be found in this company's financial statements.

## **Results And Dividend**

The profit before tax for the year amounted to £127,172 (1999: £163,000). The directors do not recommend the payment of a dividend (1999: Nil). The retained profit for the year of £85,000 (1999: £113,000) has been transferred to reserves.

## **Directors**

The directors during the year were:

A Forbes Watson	
C Engle	(Resigned 21 June 2000)
C Power	(Appointed 26 July 2000)

## **Directors' Interests**

At 31 December 2000 the directors were directors of the company's immediate parent undertaking, Penguin Books Limited and are therefore not required to notify to this company their interests in the shares and debentures of group undertakings, on the basis that such interests are disclosed in the accounts of the parent undertaking.

## **Effective Resolutions**

At the 1990 annual general meeting an elective resolution under section 379A of the Companies Act 1985 was passed in respect of dispensing with the following provisions:

- the laying of the annual report and financial statements before the company in general meeting;
- the holding of an annual general meeting; and
- the requirement to reappoint annually the registered auditors of the company in general meeting.

The provisions of this elective resolution will apply for subsequent years until the election is revoked.

# **Allen Lane The Penguin Press Limited**

## **Directors' Report (Continued)**

### **Registered Auditors**

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office.

### **Statement Of Directors' Responsibilities**

Company law requires the directors to prepare financial statements for each financial year that 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:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order Of The Board



**A Forbes Watson**  
**Director**

80 Strand  
London  
WC2R ORL

15 October 2001

## **Auditors' Report To The Members Of Allen Lane The Penguin Press Limited**

We have audited the financial statements on pages 5 to 9, which have been prepared under the historical cost convention and the accounting policies set out on page 7.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### **Basis of audit 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.

**Auditors' Report To The Members Of  
Allen Lane The Penguin Press Limited** (Continued)

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
Chartered Accountants  
and Registered Auditors

15 October 2001

# Allen Lane The Penguin Press Limited

## Profit And Loss Account For The Year Ended 31 December 2000

	<i>Notes</i>	<b>2000 £'000</b>	<b>1999 £'000</b>
Operating income	<i>2</i>	<b>127</b>	<b>163</b>
<b>Profit on ordinary activities before taxation</b>	<i>3</i>	<b>127</b>	<b>163</b>
Tax on profit on ordinary activities	<i>4</i>	<b>(42)</b>	<b>(50)</b>
<b>Profit on ordinary activities after taxation and retained profit for the financial year</b>		<b>85</b>	<b>113</b>

The results shown above all arise from continuing operations.

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the result on ordinary activities before taxation stated above and its historical cost equivalent.

The notes on pages 7 to 9 form part of these financial statements.



# Allen Lane The Penguin Press Limited

## Balance Sheet At 31 December 2000

	<i>Note</i>	2000 £'000	1999 £'000
<b>Current assets</b>			
Debtors	5	86	24
<b>Creditors: amounts falling due within one year</b>	6	(44)	(67)
<b>Total assets less current liabilities</b>		42	(43)
<b>Capital and reserves</b>			
Called up share capital	7	5	5
Share premium account	8	66	66
Profit and loss account	8	(29)	(114)
<b>Equity shareholders funds</b>	9	42	(43)

The financial statements on pages 5 to 9 were approved by the board of directors on 15 October 2001 and were signed on its behalf by:-



**A Forbes Watson**  
Director

The notes on pages 7 to 9 form part of these financial statements.

# Allen Lane The Penguin Press Limited

## Notes To The Financial Statements For The Year Ended 31 December 2000

### 1 Principal Accounting Policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom.

The company is a wholly owned subsidiary of Pearson plc and the cash flows of the company are included in the consolidated group cash flow statement of Pearson plc. Consequently the company is exempt under the terms of Financial Reporting Standard No. 1 from publishing a cash flow statement. The company is also exempt under the terms of Financial Reporting Standard No 8 from disclosing the related party transactions (but not balances) with entities that are part of the Pearson plc group or investees of the Pearson plc group (see note 10).

A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### a) Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention.

#### b) Rights Income

Rights income is credited to the accounts on the date of receipt. No accrual is made for future income receivable.

#### c) Going Concern Basis

The financial statements have been prepared on a going concern basis as the intermediate parent undertaking has indicated its intention to provide continuing financial support to the company.

### 2 Other Operating Income

	2000 £000	1999 £000
Rights income	127	150
Management fee receivable from Penguin Books Limited	-	13
	<hr/> 127	<hr/> 163

# Allen Lane The Penguin Press Limited

## Notes To The Financial Statements

For The Year Ended 31 December 2000 (Continued)

### 3 Result On Ordinary Activities Before And After Taxation

In 2000 and 1999 the auditors' remuneration was borne by Penguin Books Limited. During 2000 and 1999 the staff costs of the company were borne by Penguin Books Limited, and thus no staff were deemed to be employed.

In 2000 and 1999 the directors received no emoluments in respect of their services to the company.

### 4 Taxation

	2000 £000	1999 £000
UK corporation tax at 30% (1999: 30.25%) on the profit for the year:		
Current	38	50
Prior year adjustment	4	-
	<hr/> 42	<hr/> 50

### 5 Debtors

	2000 £000	1999 £000
Amounts falling due within one year:		
Prepayments and accrued income	24	24
Amounts owed by Group undertakings	62	-
	<hr/> 86	<hr/> 24

### 6 Creditors

	2000 £000	1999 £000
Amounts falling due within one year:		
Amounts owed to Group undertakings	-	17
Corporation tax	44	50
	<hr/> 44	<hr/> 67

### 7 Called-up Share Capital

	2000 £000	1999 £000
Authorised, allotted, called-up and fully paid:		
4,500 ordinary shares of £1 each	5	5

# Allen Lane The Penguin Press Limited

## Notes To The Financial Statements For The Year Ended 31 December 2000 (Continued)

### 8 Reserves

	Share Premium £000	Profit and Loss Account £000
At 1 January 2000	66	(114)
Transfer from profit and loss account	-	85
<b>At 31 December 2000</b>	<b>66</b>	<b>(29)</b>

### 9 Reconciliation of Movement in Equity Shareholders' Funds

	2000 £000	1999 £000
Profit for the financial year	85	113
Opening equity shareholders' funds	(43)	(156)
<b>Closing equity shareholders' funds</b>	<b>42</b>	<b>(43)</b>

### 10 Related Party Transactions

Advantage is taken of the exemption not to disclose related party transactions with members of the group or associates and joint ventures of other group members.

The company's immediate parent undertaking is Penguin Books Limited and its ultimate parent undertaking is Pearson plc. Both companies are registered in England and Wales. Copies of the consolidated financial statements of Pearson plc are available to the public from the following address:

The Secretary  
Pearson plc  
80 Strand  
London  
WC2R ORL