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CHATTO, VIRAGO, BODLEY HEAD &
JONATHAN CAPE LIMITED
(Formerly Chatto, Bodley Head &
Jonathan Cape Limited)

and subsidiary companies

31st December 1984



CHATTO, VIRAGO, BODLEY HEAD & JONATHAN CAPE LIMITED
(Formerly Chatto, Bodley Head & Jonathan Cape Limited)

ACCOUNTS

Year ended 31st December 1984

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CHATTO, VIRAGO, BODLEY HEAD & JONATHAN CAPE LIMITED
and subsidiary companies

REPORT OF THE DIRECTORS.

The directors submit their annual report and audited accounts of the company for the year ended 31st December 1984.

PRINCIPAL ACTIVITY

The principal activity of the company is that of an investment holding company. The subsidiaries' activities are divided between book publishing and the provision of management and distribution services.

REVIEW OF THE BUSINESS

The sale of books and subsidiary rights has continued satisfactorily in difficult times.

The name of the company was changed to Chatto, Virago, Bodley Head and Jonathan Cape Limited on 1st January 1985.

LAND AND BUILDINGS

The directors are of the opinion that the market value of the group's freehold property is in excess of the value in the accounts, and their estimated market value is approximately £1,400,000.

RESULTS AND DIVIDENDS

The results for the year are set out on page 4.

The directors recommend a dividend of 5p (1983 : 5p) per share which together with the tax credit available to United Kingdom shareholders is equivalent to 7.14p (1983 : 7.14p) per share.

DIRECTORS AND THEIR SHARE INTERESTS
IN THE HOLDING COMPANY

The directors who have served during the year together with their share interests were as follows:

		10p Ordinary Shares <u>31 December 1984</u>	10p Ordinary Shares <u>1 January 1984</u>
G. C. Greene	(joint chairman)	213,115	213,115
M. Reinhardt	(joint chairman)	251,674	590,674
H. L. J. Brunner	(Resigned 31st May 1985)	30,000	30,000
Ms. C. T. Callil		58,824	58,824
J. F. Charlton		102,073	102,073
J. R. Fews		1,381	1,381
R.H. Kirkpatrick		-	-
D. Machin		5,000	5,000
T. M. Maschler		213,115	213,115

CHATTO, VIRAGO, BODLEY HEAD AND JONATHAN CAPE LIMITED
and subsidiary companies

ACQUISITION OF THE COMPANY'S SHARES.

Following a special resolution passed on 2nd March 1984, the company, having agreed that it was in its best interest, purchased 339,000 of its 10p ordinary shares from M. Reinhardt. The cost of these shares was £254,250.

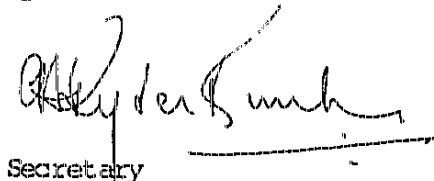
CLOSE COMPANY

The company is a close company within the meaning of the provisions of the Income and Corporation Taxes Act 1970.

AUDITORS

Messrs. Spicer and Pegler, Chartered Accountants, have expressed their willingness to continue in office and a resolution for their reappointment will be proposed at the Annual General Meeting.

By order of the board


Secretary

35 Bow Street,
London WC2.

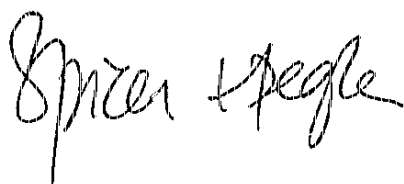
23rd July 1985

CHATTO, VIRAGO, BODLEY HEAD AND JONATHAN CAPE LIMITED
and subsidiary companies

AUDITORS' REPORT TO THE MEMBERS OF CHATTO, VIRAGO, BODLEY HEAD AND JONATHAN
CAPE LIMITED

We have audited the financial statements on pages 4 to 19 in
accordance with approved Auditing Standards.

In our opinion the financial statements, which have been prepared
under the historical cost convention as modified by the revaluation of land
and buildings, give a true and fair view of the state of affairs of the
company and the group at 31st December 1984 and of the result and source and
application of funds of the group for the year then ended and comply with the
Companies Act 1985.



Chartered Accountants

London, E.C.3.

23rd July 1985

CHATTO, VIRAGO, BODLEY HEAD AND JONATHAN CAPE LIMITED
and subsidiary companies

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31st December 1984

	NOTE	1984	1983
TURNOVER	1(d) + 2	16,259,397	13,425,981
Cost of sales		<u>(9,442,695)</u>	<u>(7,611,507)</u>
GROSS PROFIT		6,816,702	5,814,474
Selling and distribution costs		(3,431,497)	(2,845,123)
Administrative and editorial expenses		<u>(2,895,936)</u>	<u>(2,541,450)</u>
		<u>(6,327,433)</u>	<u>(5,386,573)</u>
OPERATING PROFIT	3	489,269	427,901
Interest receivable and similar income	6	8,752	22,291
Interest payable	7	<u>(135,671)</u>	<u>(17,389)</u>
		<u>(126,919)</u>	<u>4,902</u>
PROFIT ON ORDINARY ACTIVITIES before TAXATION		362,350	432,803
Tax on profit on ordinary activities	8	<u>(214,602)</u>	<u>(125,943)</u>
PROFIT ON ORDINARY ACTIVITIES after TAXATION		147,748	306,860
Minority interests		<u>(48,800)</u>	<u>(57,826)</u>
PROFIT BEFORE EXTRAORDINARY ITEMS		98,948	249,034
Extraordinary income	9	<u>117,352</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR ATTRIBUTABLE TO THE MEMBERS OF CHATTO, VIRAGO, BODLEY HEAD & JONATHAN CAPE LIMITED.	10	216,300	249,034
Dividends	11	<u>(37,654)</u>	<u>(37,654)</u>
RETAINED PROFIT FOR THE YEAR		<u>£178,646</u>	<u>£211,380</u>
Parent Company		245,836	24,775
Subsidiaries		<u>(67,190)</u>	<u>186,605</u>
		<u>£178,646</u>	<u>£211,380</u>

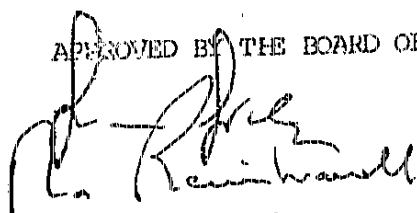
The notes on pages 8 to 19 form an integral part of these accounts.

CHATTO, VIRAGO, BODLEY HEAD AND JONATHAN CAPE LIMITED
and subsidiary companies

BALANCE SHEET
31st December 1984

	NOTE	1984	1983
FIXED ASSETS			
Tangible assets	12	1,476,595	683,507
Investments	13	<u>916</u>	<u>916</u>
		1,477,511	684,423
CURRENT ASSETS			
Stocks	14	2,867,717	2,429,360
Debtors	15	5,568,007	4,759,420
Cash at bank and in hand		<u>206,872</u>	<u>64,432</u>
		8,642,596	7,253,212
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR			
Bank overdrafts (secured)		2,207,499	698,214
Trade creditors		1,843,788	1,472,119
Sundry creditors	16	<u>3,310,221</u>	<u>3,554,370</u>
		7,361,508	5,724,703
NET CURRENT ASSETS		<u>1,281,088</u>	<u>1,528,509</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,758,599	2,212,932
CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
PROVISIONS FOR LIABILITIES AND CHARGES	17	(75,805)	(98,471)
	18	<u>(204,101)</u>	<u>(92,516)</u>
		<u>£2,478,693</u>	<u>£2,021,945</u>
CAPITAL AND RESERVES			
CALLED UP SHARE CAPITAL	19	100,476	134,376
RESERVES			
Share premium account		26,079	26,079
Other reserves	20	768,263	293,914
Profit and loss account	21	<u>1,438,656</u>	<u>1,471,158</u>
TOTAL RESERVES	22	<u>2,232,998</u>	<u>1,791,151</u>
SHAREHOLDERS FUNDS		2,333,474	1,925,527
MINORITY INTERESTS		145,219	96,418
		<u>£2,478,693</u>	<u>£2,021,945</u>

APPROVED BY THE BOARD OF DIRECTORS



23rd July 1985

The notes on pages 8 to 19 form an integral part of these accounts.

CHATTO, VIRAGO, BODLEY HEAD AND JONATHAN CAPE LIMITED

BALANCE SHEET

31st December 1984

	NOTE	1984	1983
FIXED ASSETS			
Investments	13	788,263	788,263
CURRENT ASSETS			
Debtors	15	334,257	173,214
Cash at bank and in hand		-	1,464
		<u>334,257</u>	<u>174,678</u>
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR			
Bank overdraft (secured)		439,786	-
Sundry creditors	16	<u>445,568</u>	<u>717,361</u>
		<u>885,354</u>	<u>717,361</u>
NET CURRENT LIABILITIES		(551,097)	(542,683)
Creditors - Amounts falling due after more than one year	17	(19,948)	(19,948)
		<u>£217,218</u>	<u>£225,632</u>
CAPITAL AND RESERVES			
CALLED UP SHARE CAPITAL		100,476	134,376
RESERVES			
Share premium account		26,079	26,079
Other reserves	20	66,674	32,774
Profit and loss account	21	<u>23,989</u>	<u>32,403</u>
TOTAL RESERVES	22	116,742	91,256
SHAREHOLDERS FUNDS			
		<u>£217,218</u>	<u>£225,632</u>

APPROVED BY THE BOARD OF DIRECTORS

2nd July 1985

The notes on pages 8 to 19 form an integral part of these accounts.

CHATTO, VIRAGO, BODLEY HEAD AND JONATHAN CAPE LIMITED
and subsidiary companies

SOURCE AND APPLICATION OF FUNDS
for the year ended 31st December 1984

	1984	1983
SOURCE OF FUNDS		
Profit on ordinary activities before taxation	362,350	432,803
Items not involving the movement of funds		
Profit on sale of investments	-	(5,080)
Depreciation	138,359	97,340
Profit on sale of fixed assets	(14,390)	(7,353)
Profit on exchange	(28,063)	(7,536)
	<u>95,906</u>	<u>77,371</u>
FUNDS GENERATED FROM OPERATIONS	458,256	510,174
FUNDS FROM OTHER SOURCES		
Sale of investments	167,646	12,203
Sale of fixed assets	37,370	24,632
	<u>205,016</u>	<u>36,835</u>
	663,272	547,009
APPLICATION OF FUNDS		
Repurchase of own shares	254,250	114,594
Purchase of fixed assets	485,915	166,715
Loans repaid	34,478	5,634
Dividends paid	37,654	564,911
Goodwill on acquisition of subsidiary	-	23,538
Taxation paid	<u>291,283</u>	<u>269,532</u>
	(1,103,580)	(1,144,924)
(DECREASE) IN WORKING CAPITAL	£(440,308)	£(597,915)
Funded by:		
Increase in stocks and work in progress	438,357	479,336
Increase in debtors	766,241	551,391
Increase in advances		
authors	58,483	242,836
(Increase) in creditors	(336,544)	(374,824)
Increase (decrease) in cash balances	142,440	(919,836)
(Increase) in bank overdrafts	(1,509,285)	(698,214)
(Decrease) in bills payable	<u>-</u>	<u>121,396</u>
	£(440,308)	£(597,915)

CHATTO, VIRAGO, BODLEY HEAD AND JONATHAN CAPE LIMITED
and subsidiary companies

NOTES TO THE ACCOUNTS
31st December 1984

1. ACCOUNTING POLICIES

(a) CONVENTION

These financial statements are prepared in accordance with the historical cost convention, modified to incorporate the revaluation of certain land and buildings. The principal accounting policies which the directors have adopted within that convention are set out below.

(b) BASIS OF CONSOLIDATION

The group accounts incorporate the accounts of the company and its subsidiaries, all of which make their accounts to the same date. Profits arising on trading between group companies are excluded.

(c) FOREIGN CURRENCY

All items in foreign currency are translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange differences arising on the translation of the net assets of overseas subsidiaries are dealt with through reserves.

(d) TURNOVER

Turnover is the amount derived from the provision of goods and services falling within the group's ordinary activities, including the group's share of turnover arising under joint venture agreements, after deduction of trade discounts and value added tax.

(e) DEFERRED TAXATION

The group has adopted the policy of providing for deferred taxation only to the extent that it is expected to fall due for payment in the foreseeable future.

CHATTO, VIRAGO, BODLEY HEAD AND JONATHAN CAPE LIMITED
and subsidiary companies

NOTES TO THE ACCOUNTS
31st December 1984

(f) DEPRECIATION

Fixed assets are depreciated at the following rates:

Motor vehicles	- 25% on cost
Fixtures and fittings	- 15% on cost
Warehouse equipment	- 15% on cost
Leasehold properties	- amortised fully over the period up to the first rent review
Computer equipment	- 20% on cost
Freehold buildings	- 2% on cost

(g) STOCK AND WORK IN PROGRESS

Stock and work in progress consist of paper and sheet and bound stock consistently valued by reference to a formula designed in each case to reduce stock to the lower of cost and net realisable value. Cost represents the amounts invoiced to the company for paper, origination, printing and binding.

(h) ROYALTY ADVANCES TO AUTHORS

Advances to authors are written off in the year of publication to the extent that they are not covered by firm contracts for subsidiary rights receivable, or earlier if the advance is considered to be irrecoverable.

2. ANALYSIS OF TURNOVER

	1984	1983
Home	9,686,587	8,635,031
Export	<u>6,572,810</u>	<u>4,790,950</u>
	<u>£16,259,397</u>	<u>£13,425,981</u>

3. OPERATING PROFIT

Operating profit is arrived at after charging

	£	£
Depreciation	138,359	97,340
Hire of plant and machinery	48,791	27,532
Auditors remuneration	<u>44,127</u>	<u>40,341</u>

CHATTO, VIRAGO, BODLEY HEAD AND JONATHAN CAPE LIMITED
and subsidiary companies

NOTES TO THE ACCOUNTS
31st December 1984

	1984	1983
4. EMPLOYEES		

The average number of people employed by the Group within each category of person was:

Sales and distribution staff	116	101
Administration and editorial staff	<u>161</u>	<u>150</u>
	<u>277</u>	<u>251</u>

The costs incurred in respect of these employees were:

Wages and salaries	2,494,386	2,111,181
Social security costs	185,006	159,402
Other pension costs	<u>296,401</u>	<u>275,518</u>
	<u>£2,975,793</u>	<u>£2,546,101</u>

5. DIRECTORS EMOLUMENTS

Emoluments of directors were as follows:

Management remuneration	<u>£247,272</u>	<u>£243,689</u>
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The emoluments, excluding pension contributions, of directors were as follows:

Chairman (and highest paid director)	<u>£39,805</u>	<u>£35,688</u>
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	No. of Directors	
Other directors		
£ 0 - £5,000	1	1
£ 5,001 - £10,000	1	-
£10,001 - £15,000	1	2
£15,001 - £20,000	-	1
£20,001 - £25,000	4	3
£35,001 - £40,000	1	1

CHATTO, VIRAGO, BODLEY HEAD & JONATHAN CAPE LIMITED
and subsidiary companies

NOTES TO THE ACCOUNTS

31st December 1984

	1984	1983
6. INTEREST RECEIVABLE AND SIMILAR INCOME		
Income from other fixed asset investments:		
Listed investments	-	23
Unlisted investments	-	8,130
Other interest receivable:		
Bank deposit interest	<u>8,752</u>	<u>14,138</u>
	<u>£ 8,752</u>	<u>£22,291</u>
7. INTEREST PAYABLE		
Bank loans and overdrafts	129,740	5,869
Loans repayable within 5 years	4,335	9,924
Loans repayable wholly or in part after 5 years	<u>1,596</u>	<u>1,596</u>
	<u>£135,671</u>	<u>£17,389</u>
8. TAX ON PROFIT ON ORDINARY ACTIVITIES		
Taxation is based on the profits for the year and comprises:		
Corporation tax at 46.25% (1983 - 50.5%) on taxable profit	77,826	174,606
Deferred taxation	118,000	-
(Over)provision for earlier years	(29,756)	(65,296)
Overseas taxation	<u>48,532</u>	<u>16,633</u>
	<u>£214,602</u>	<u>£125,943</u>
The tax charge for the year has been reduced by £24,472 (1983 £49,000) as a result of stock relief.		
9. EXTRAORDINARY INCOME		
Profit on disposal of unlisted investment	167,646	-
UK Corporation tax	<u>(50,294)</u>	<u>-</u>
	<u>£117,352</u>	<u>£ -</u>
10. PROFIT FOR THE FINANCIAL YEAR ATTRIBUTABLE TO THE MEMBERS OF CHATTO, VIRAGO, BODLEY HEAD & JONATHAN CAPE LIMITED.		
Dealt with in the accounts of the holding company.	<u>£283,490</u>	<u>£62,429</u>
The company has taken advantage of S228 (7) of the Companies Act 1985 and consequently a profit and loss account for the company alone is not presented.		

CHATTO, VIRAGO, BODLEY HEAD & JONATHAN CAPE LIMITED
and subsidiary companies

NOTES TO THE ACCOUNTS
31st December 1984

11. DIVIDENDS

On 1,004,763 (1983 - 1,004,763) ordinary shares.	1984	1983
Final proposed 5.0p (1983 - 5.0p) per share.	50,238	50,238
<u>Less dividend waived.</u>	<u>(12,584)</u>	<u>(12,584)</u>
	<u>£37,654</u>	<u>£37,654</u>

12. TANGIBLE ASSETS
GROUP

	Land	Freehold property Buildings	Short leasehold property	Motor vehicles	Fixtures, fittings, office and warehouse equipment	Computer equipment	TOTAL
COST							
1.1.84	81,226	441,409	21,015	278,808	323,535	229,907	1,375,900
Additions	-	178,402	-	120,058	104,136	83,319	485,915
Revaluation	345,632	77,100	-	-	-	-	422,732
Disposals	-	-	(3,176)	(78,638)	(12,527)	(12,500)	(106,841)
Exchange difference	7,476	15,016	-	3,304	9,063	-	34,859
31.12.84	434,334	711,927	17,839	323,532	424,207	300,726	2,212,565
DEPRECIATION							
1.1.84		80,528	21,015	142,100	244,847	203,904	692,394
Charge for year		11,933	-	78,635	24,308	23,483	138,359
Revaluation		(17,717)	-	-	-	-	(17,717)
Disposals		-	(3,176)	(58,241)	(9,945)	(12,500)	(83,862)
Exchange difference		2,383	-	967	3,446	-	6,796
31.12.84	-	77,127	17,839	163,461	262,656	214,887	735,970
WRITTEN DOWN VALUE							
31.12.84	£434,334	634,800	-	160,071	161,551	85,839	£1,476,595
31.12.83	£81,225	360,880	-	136,711	78,688	26,003	£683,507

There were no capital commitments at the balance sheet date.

The revaluation was made in a subsidiary company on 17 February 1984. The valuation was made independently by C. John Walker A.A.I.V, A.I.M.A, T.P.A.A.

CHATTO, VIRAGO, BODLEY HEAD AND JONATHAN CAPE LIMITED
and subsidiary companies

NOTES TO THE ACCOUNTS
31st December 1984

13. FIXED ASSET INVESTMENTS

	1984	1983
GROUP		
a) Unlisted investments at cost	<u>£916</u>	<u>£916</u>

Unlisted investments include the group's holding of, 33.3% of the allotted share capital of Book Reps (New Zealand) Limited, a company incorporated in New Zealand. The share capital is solely comprised of ordinary shares.

It is not considered that the group is in a position to exercise significant influence over the commercial and financial policy decisions of Book Reps (New Zealand) Limited and consequently it is not accounted for as a related company.

	Group company shares at cost	Unlisted investments	TOTAL
COMPANY			
b) Holding Company			
Cost			
At 1st January 1984 and 31st December 1984	<u>£787,347</u>	<u>£916</u>	<u>£788,263</u>
c) Subsidiary companies.			

The subsidiary companies which, in the opinion of the directors, principally affected the amount of the result or net assets of the group were:

	<u>Denomination of shares</u>
Jonathan Cape Limited	Ordinary shares of £1 each
Chatto and Windus Limited	6% cumulative preference shares of £1 each 5% non-cumulative preference shares of £1 each 'A' ordinary shares of £1 each
C.V.B.C. Services Limited (Formerly Chatto, Bodley Head & Cape Services Limited)	Ordinary shares of £1 each
Grantham Book Storage Limited	Ordinary shares of £1 each
The Bodley Head Limited	Preference shares of £10 each Ordinary shares of £1 each
Virago Press Limited	Ordinary shares of £1 each
The Virago Bookshop Limited	Ordinary shares of £1 each

CHATTO, VIRAGO, BODLEY HEAD AND JONATHAN CAPE LIMITED
and subsidiary companies

NOTES TO THE ACCOUNTS
31st December 1984

	<u>Denomination of shares</u>
Triad Paperbacks Limited (52.5%)	Ordinary shares of 50p each
The Australasian Publishing Company Proprietary Limited - incorporated in Australia	Shares of A\$2 each

Unless otherwise indicated, all the companies are wholly owned and incorporated in Great Britain.

14. STOCKS

	<u>GROUP</u>	
	1984	1983
Paper	217,102	181,702
Work in progress	659,467	741,998
Sheet and bound stock	<u>1,991,148</u>	<u>1,505,660</u>
	<u>£2,867,717</u>	<u>£2,429,360</u>

CHITTO, VIRAGO, BODLEY HEAD & JONATHAN CAPE LIMITED.
and subsidiary companies

NOTES TO THE ACCOUNTS
31st December 1984

15. DEBTORS

	GROUP		COMPANY	
	1984	1983	1984	1983
Trade debtors	4,035,960	3,240,123	-	-
Amount owed by group companies	-	-	147,264	101,679
Other debtors	327,203	346,337	3,549	750
Royalty advances	1,014,208	955,725	-	-
Prepayments and accrued income	180,603	201,098	-	-
Corporation tax	-	16,137	16,137	16,137
Other taxation	10,033	-	-	-
Dividends receivable	-	-	167,307	54,648
	<u>£5,568,007</u>	<u>£4,759,420</u>	<u>£334,257</u>	<u>£173,214</u>

16. SUNDRY CREDITORS

	GROUP		COMPANY	
	1984	1983	1984	1983
Mortgage loan (secured)	3,466	4,814	-	-
Amounts owed to group companies	-	-	378,107	494,937
Other creditors	81,317	239,870	-	158,576
Royalties payable	2,549,469	2,415,493	-	-
Corporation tax	118,000	315,479	29,142	25,529
Other taxation and social security	116,790	112,269	-	-
Accruals	403,525	428,791	665	665
Dividends	37,654	37,654	37,654	37,654
	<u>£3,310,221</u>	<u>£3,554,370</u>	<u>£445,568</u>	<u>£717,361</u>

17. CREDITORS - AMOUNTS FALLING DUE AFTER
MORE THAN ONE YEAR

	GROUP		COMPANY	
	1984	1983	1984	1983
8% unsecured loan stock 1993/94	19,948	19,948	19,948	19,948
Secured loans	35,523	66,654	-	-
Unsecured loan stock 1986	4,334	6,333	-	-
Corporation Tax (due 1.1.86)	16,000	5,536	-	-
	<u>£75,805</u>	<u>£98,471</u>	<u>£19,948</u>	<u>£19,948</u>

a) 8% unsecured loan stock 1993/94

£44,000 stock was created by Company Resolution dated 12th May 1969. The company may repay the whole with interest after 1st January 1993 upon giving three months' notice and is obliged to do so on 31st December 1994. The company may also purchase stock prior to those dated for cancellation.

CHATTO, VIRAGO, BODLEY HEAD & JONATHAN CAPE LIMITED
and subsidiary companies

NOTES TO THE ACCOUNTS
31st December 1984

b) Mortgage loans fully secured
Amounts fall due within five years

The mortgage loans are repayable at the rate of A\$7,800, per annum until 1st June 1986 when the balance of the principal sum falls due. Interest is charged at rates between 10% to 13% on the loans outstanding.

c) Unsecured loan stock 1986

Repayable in equal monthly instalments until 1st December 1986. Interest is charged at 2% over base rate.

18. PROVISIONS FOR LIABILITIES AND CHARGES

	GROUP		COMPANY	
	1984	1983	1984	1983
Provisions for annual leave and long service leave	102,238	92,516	--	--
Deferred taxation	101,863	--	--	--
	<u>£204,101</u>	<u>£92,516</u>	<u>---</u>	<u>---</u>

NOTES TO THE ACCOUNTS
31st December 1984

Deferred taxation	Group	Company
Movement in year		
At 1st January 1984	-	-
Prior year charge	73,000	-
Charge for the year	<u>45,000</u>	<u>-</u>
	118,000	-
Recoverable advance corporation tax	<u>(16,137)</u>	<u>-</u>
At 31st December 1984	<u>£101,863</u>	<u>-</u>

The source of the balance on deferred tax account is as follows:

Group	1984	1983
Capital allowances in excess of depreciation	159,000	105,000
Short term timing differences	(39,000)	(30,000)
Revenue losses	<u>(2,000)</u>	<u>(2,000)</u>
	118,000	73,000
Advance corporation tax	<u>(16,137)</u>	<u>-</u>
	<u>£101,863</u>	<u>£73,000</u>

All timing differences have been provided in full. In addition to the losses utilised above a further £61,000 (1983 - £89,000) of trading losses are available to offset against future trading profits in certain group companies.

Advance corporation tax which is available to reduce the corporation tax payable on future profits has been deducted from the provision for deferred taxation, (in 1983 this has been included in debtors).

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	COMPANY	
	1984	1983
19. SHARE CAPITAL		
Authorised		
2,000,000 ordinary shares of 10p each	<u>£200,000</u>	<u>£200,000</u>
Allotted		
1,004,763 (1983 - 1,343,763) ordinary shares of 10p each fully paid	<u>£100,476</u>	<u>£134,376</u>

Following a Special Resolution passed on 2nd March 1984 the company purchased 339,000 of its own shares. The shares were subsequently cancelled and a transfer of £33,900 was made to a Capital Redemption Reserve (Note 20). The purchase consideration for the shares was financed from distributable reserves.

20. OTHER RESERVES

	GROUP		COMPANY	
	1984	1983	1984	1983
Asset revaluation reserve	440,449	-	-	-
Capital reserve	-	-	265	265
Capital redemption reserve	66,409	32,509	66,409	32,509
Capital reserve arising on consolidation	<u>261,405</u>	<u>261,405</u>	<u>-</u>	<u>-</u>
	<u>£768,263</u>	<u>£293,914</u>	<u>£66,674</u>	<u>£32,774</u>

	GROUP	COMPANY
a) Capital redemption reserve		
At 1st January 1984	32,509	32,509
Transfer on reduction of share capital (Note 19)	<u>33,900</u>	<u>33,900</u>
At 31st December 1984.	<u>£66,409</u>	<u>£66,409</u>
b) Capital reserve on consolidation		
At 1st January 1984 and 31st December 1984	<u>£261,405</u>	<u>£-</u>

21. PROFIT AND LOSS ACCOUNT

	GROUP	COMPANY
At 1st January 1984	1,471,158	32,403
Retained profit for the year	178,646	245,836
Foreign currency difference arising on translation of net assets of overseas subsidiaries.	43,102	-
Cost of the company's own shares purchased (note 19)	<u>(254,250)</u>	<u>(254,250)</u>
At 31st December 1984	<u>£1,438,656</u>	<u>£23,989</u>

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22. TOTAL RESERVES

	GROUP		COMPANY	
	1984	1983	1984	1983
Available for distribution	1,438,656	1,471,158	23,989	32,403
Not available for distribution	<u>794,342</u>	<u>319,993</u>	<u>92,753</u>	<u>58,853</u>
	<u>£2,232,998</u>	<u>£1,791,151</u>	<u>£116,742</u>	<u>£91,256</u>

23. CONTINGENT LIABILITIES

- a) The holding company has guaranteed the bank overdraft of a third party amounting to N.Z. \$150,000 = £61,983 (1983 - £68,018)
- b) The holding company has guaranteed the bank overdrafts of all its wholly owned subsidiary companies.
- c) There is a contingent liability in respect of foreign collections in a subsidiary company totalling £19,708 (1983 - £8,842).

24. FINANCIAL COMMITMENTS

Lease commitments

Aggregate amount contracted for but not provided for in the accounts:-

	GROUP		COMPANY	
	1984	1983	1984	1983
Plant and equipment	116,362	143,064	-	-
Motor vehicles	<u>74,435</u>	<u>20,692</u>	<u>-</u>	<u>-</u>
	<u>£190,797</u>	<u>£163,756</u>	<u>-</u>	<u>-</u>
Due within twelve months	58,284	42,318	-	-
Due after twelve months	<u>132,513</u>	<u>121,438</u>	<u>-</u>	<u>-</u>