

**WRITERS & SCHOLARS INTERNATIONAL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

DIRECTORS REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31ST MARCH 2004



COMPANY NUMBER: 1157814

WRITERS & SCHOLARS INTERNATIONAL LIMITED
(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS REPORT

FOR THE YEAR ENDED 31ST MARCH 2003

The directors submit their annual report and the audited accounts of the company for the year ended 31st March 2004.

Activities

The principal activity of the company is that of publisher.

Results for the Year

Turnover increased by £199,324 and cost of sales decreased by £17,805 resulting in an increase in gross profit from £221,996 to £439,125. After distribution, administration, promotion and project costs of £426,419 (an increase of £226,787) the profit for the year was £14,307 compared with a profit of £22,922 for 2002/2003.

Directors and their Interests

The members of the Board of Directors during the year were:

Christopher Allsop
Michael Grade
John McFadden

Caroline Moorehead
Martin Neild
Ursula Owen
Judith Vidal-Hall

As the company is limited by guarantee there are no share interests to disclose. No distributions to members are permitted.

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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;
- 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 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.

Charitable Donations

The company has made a donation of £25,000 (2003: £Nil) to Writers & Scholars Educational Trust.

Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

WRITERS & SCHOLARS INTERNATIONAL LIMITED
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DIRECTORS REPORT - CONTINUED

FOR THE YEAR ENDED 31ST MARCH 2003

Auditors

A resolution to re-appoint the auditors, Sayers Butterworth, will be proposed at the Annual General Meeting.

By Order of the Board

A handwritten signature in black ink, appearing to read 'Judith Vidal-Hall', written in a cursive style.

Judith Vidal-Hall

Director

Date: 8 September 2004

**WRITERS & SCHOLARS INTERNATIONAL LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

FOR THE YEAR ENDED 31ST MARCH 2004

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

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

As described in the directors' report, the company's directors are responsible for the preparation of financial statements. It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and UK 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 transactions with the company, is not disclosed. We read the directors report and consider the implications for our report if we become aware of any apparent misstatements within it.

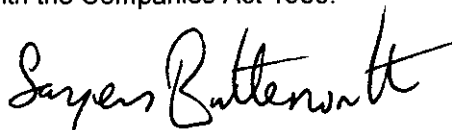
Basis of Opinion

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 mis-statement, 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 of the state of the company's affairs as at 31st March 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



SAYERS BUTTERWORTH
Chartered Accountants
and Registered Auditors
18 Bentinck Street
London W1U 2AR

Date: 8 September 2004

WRITERS & SCHOLARS INTERNATIONAL LIMITED
(A COMPANY LIMITED BY GUARANTEE)

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2004

	Notes	2004		2003	
		£	£	£	£
Turnover	1				
Fees, subscriptions and sales		155,138		244,995	
Grants and donations		<u>524,232</u>		<u>235,051</u>	
			679,370		480,046
Cost of Sales					
Printing, design and authorship		68,974		63,802	
Employee costs	2	<u>171,271</u>		<u>194,248</u>	
			(240,245)		(258,050)
Gross Profit			439,125		221,996
Distribution costs		58,119		59,742	
Administration expenses		129,805		81,944	
Promotion		52,940		49,548	
Administration expenses overcharged to projects		-		8,398	
Project expenses		<u>210,555</u>		<u>-</u>	
			(451,419)		(199,632)
Operating (Loss)/Profit	3		(12,294)		22,364
Interest receivable			1,601		558
(Loss)/Profit for Financial Year			(10,693)		22,922
Retained Profit Brought Forward			25,199		2,277
Retained Profit Carried Forward			<u>£14,506</u>		<u>£25,199</u>

There are no recognised gains or losses in the year other than those included in the profit and loss account.

WRITERS & SCHOLARS INTERNATIONAL LIMITED
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BALANCE SHEET

AS AT 31ST MARCH 2004

	Notes	2004	2003
		£	£
Fixed Assets			
Tangible assets	5	4,065	8,279
Current Assets			
Debtors due within one year			
- Trade debtors		19,052	56,380
- Prepayments and accrued income		53,979	77,253
- Sundry debtors		3,637	6,660
Cash at bank and in hand		218,188	103,387
Writers and Scholars Educational Trust		94,032	32,448
		<u>388,888</u>	<u>276,128</u>
Creditors: amounts falling due within one year			
Trade creditors		22,877	56,494
Accruals		73,825	3,300
Bank overdraft		-	9,548
Deferred income			
- Subscriptions		38,006	38,468
- Fund for special subscriptions		-	-
- Donations		137,033	43,341
		<u>271,741</u>	<u>151,151</u>
		117,147	124,977
Total Assets Less Current Liabilities		<u>121,212</u>	<u>133,256</u>
Creditors: amounts falling due after more than one year			
Deferred income			
- Subscriptions		6,706	8,057
Loan: Writers & Scholars Educational Trust	6	100,000	100,000
		<u>106,706</u>	<u>108,057</u>
Net Assets		<u>£ 14,506</u>	<u>£ 25,199</u>
Profit and Loss Account			
Surplus		<u>£14,506</u>	<u>£25,199</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Approved by the Board on 8 September 2004


Judith Vidal-Hall
Director

WRITERS & SCHOLARS INTERNATIONAL LIMITED
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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2004

1. Accounting Policies

a) Basis of Accounting

The accounts are prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

b) Fixed Assets

Depreciation is provided on all fixed assets at rates calculated to write off their cost evenly over their estimated life at the following rates:

Computers	- 25% p.a.
Fixtures and fittings	- 10% p.a.

c) Stocks

Stocks, where applicable, comprise raw materials and items held for re-sale. No value is assigned to these items and the amounts concerned are immaterial.

d) Capital Grants

Grants for the purchase of fixed assets are held on the capital grants provision and written off to revenue at the same rate at which the assets are depreciated.

e) Research

Research and library material is written off as incurred.

f) Foreign Currencies

Assets and liabilities denominated on foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

g) Turnover

Turnover comprises subscriptions, sales, fees, grants and donations. Subscriptions including donated subscriptions are treated as deferred income until publication date.

2. Employee Costs

	2004	2003
Employee costs comprise:	£	£
Salaries	164,166	184,308
Other pension costs	7,105	9,941
	<u>£171,271</u>	<u>£194,249</u>
 Average number of employees:	 9 =	 9 =

WRITERS & SCHOLARS INTERNATIONAL LIMITED
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NOTES TO THE ACCOUNTS – CONTINUED

FOR THE YEAR ENDED 31ST MARCH 2004

3. Profit on Ordinary Activities for the Year	2004	2003
The profit for the year is after charging	£	£
Auditors remuneration	3,000	2,300
Depreciation	4,810	10,845
Loss on foreign currency translation	2,874	2,702
	<u> </u>	<u> </u>

4. Taxation

The Company has no liability to taxation on the results for the year.

5. Tangible Assets

Office Equipment	Fixtures and Fittings	Computers	Total
Cost	£	£	£
At 1st April 2003	500	87,981	88,481
Additions during the year	-	596	596
	<u> </u>	<u> </u>	<u> </u>
At 31st March 2004	500	88,577	89,077
	<u> </u>	<u> </u>	<u> </u>
Depreciation			
At 1st April 2003	77	80,125	80,202
Charge for the year	50	4,760	4,810
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2004	127	84,885	85,012
	<u> </u>	<u> </u>	<u> </u>
Net Book Value			
At 31st March 2004	£373	£3,692	£4,065
	<u> </u>	<u> </u>	<u> </u>
At 31st March 2003	£423	£7,856	£8,279
	<u> </u>	<u> </u>	<u> </u>

6. Loan – Writers & Scholars Educational Trust

The loan is interest free and repayable as and when it is financially feasible without prejudice to the other creditors of the company. Full repayment has taken place since the balance sheet date.

7. Directors' Emoluments	2004	2003
The directors' aggregate emoluments in respect of qualifying service were:	£	£
Aggregate emoluments	50,921	54,150
Value of company pension contributions to money purchase scheme	4,260	3,420
	<u> </u>	<u> </u>
The number of directors who are accruing benefits under company pension schemes were as follows:	No.	No.
Money purchase schemes	2	2
	<u> </u>	<u> </u>

WRITERS & SCHOLARS INTERNATIONAL LIMITED
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NOTES TO THE ACCOUNTS – CONTINUED

FOR THE YEAR ENDED 31ST MARCH 2004

8. Related Parties

Control

The company is controlled by The Writers and Scholars Educational Trust, Charity No. 1157814, which was incorporated in the UK.

Transactions

Five of the seven directors of Writers and Scholars International Limited are also Trustees of The Writers and Scholars Educational Trust. During the year Writers and Scholars International made a charitable donation of £25,000 (2003: £Nil) to Writers and Scholars Educational Trust. At the balance sheet date the amount due from Writers and Scholars Educational Trust was £94,032 (2003: £32,448).

9. Commitments under Operating Leases

At 31st March 2004 the company had aggregate annual commitments under non-cancellable operating leases set out below:

	2004	2003
	£	£
Operating leases which expire:		
Within 1 year	12,468	-
Within 2 to 5 years	-	12,468
	<u>12,468</u>	<u>12,468</u>

WRITERS & SCHOLARS INTERNATIONAL LIMITED
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SCHEDULE TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2004

	2004		2003	
Turnover	£	£	£	£
<i>Fees, Subscriptions and Sales</i>				
Lower rate subscriptions –				
Funds received and applied for lower rate subscriptions				
- Norwegian Foreign Ministry	9,832		10,000	
- Open Society	46,885		21,045	
- Danish Foreign Ministry	-		8,369	
- Other	143		29,989	
	<u> </u>	56,860	<u> </u>	69,403
Add: Deferred subscriptions as at 31st March 2003		46,525		52,673
Less: Deferred subscriptions as at 31st March 2004		(44,713)		(46,525)
		<u>58,672</u>		<u>75,551</u>
Subscriptions (ordinary)		55,034		79,129
Fees, office and shop sales		<u>41,432</u>		<u>90,315</u>
		155,138		244,995
<i>Grants and Donations</i>				
Foreign and Commonwealth office	142,656		-	
SIDA	43,340		54,808	
Institusjonen Fritt Ord	50,000		58,600	
Danish Foreign Ministry (FRESTA)	58,842		-	
Norwegian Foreign Ministry	31,512		43,269	
Foreign Ministry of the Netherlands	42,802		-	
Estate of Andre Deutsch	95,080		-	
WH Smith	10,000		10,000	
Mrs R Pelly	-		15	
Estate of Jocelyn Edelston	-		30,000	
Anonymous	50,000		-	
Other grants and donations	-		38,359	
	<u> </u>	524,232	<u> </u>	235,051
Interest Received		1,601		558
		<u>£680,971</u>		<u>£480,604</u>
Cost of Sales				
<i>Printing, Design and Authorship</i>				
Printing	27,649		25,858	
Design	12,390		16,223	
Author fees	28,935		21,721	
	<u> </u>	68,974	<u> </u>	63,802
<i>Employee Costs</i>				
Salaries, National Insurance and pension contribution		171,271		194,248
		<u>£240,245</u>		<u>£258,050</u>
Distribution Costs				
Subscription servicing		<u>£58,119</u>		<u>£59,742</u>