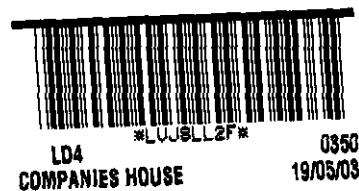


A. & C. Black (Storage) Limited

REPORT AND FINANCIAL STATEMENTS

31 December 2002



Company Registration Number : 1173530

A. & C. Black (Storage) Limited

DIRECTORS' REPORT

31 December 2002

The directors have pleasure in submitting their annual report and the audited financial statements for the year ended 31 December 2002.

REVIEW OF THE YEAR

The Company continued to provide storage facilities to fellow subsidiary undertakings.

RESULT AND DIVIDEND

The result for the year is set out on page 4.

The directors do not recommend the payment of a dividend. (2001: £Nil).

FUTURE DEVELOPMENTS

No change in the Company's activities is anticipated in the foreseeable future.

DIRECTORS AND THEIR INTERESTS

The directors of the Company at the date of this report, both of whom served throughout the year, are:-

T.E. Rouelett
Ms. D.J. Coleman

Neither of the directors had any interest in the share capital of the company at any time during the year. Ms. D J Coleman was a director of the ultimate parent company at 31 December 2002 and her interest in its share capital is shown in the Annual Report accompanying the group accounts.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law 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 these financial statements we are required to:

- a) select suitable accounting policies and apply them consistently;
- b) make reasonable and prudent judgements and estimates;
- c) state whether applicable accounting standards have been followed, and give details of any departures;
- d) prepare the financial statements on a going concern basis unless in our view the Company will be unable to continue in business.

We are also responsible for:

- a) keeping proper accounting records;
- b) safeguarding the Company's assets;
- c) taking reasonable steps for the prevention and detection of fraud.

A. & C. Black (Storage) Limited

DIRECTORS' REPORT

31 December 2002

AUDITORS

A resolution to re-appoint Baker Tilly as auditors will be proposed at the forthcoming Annual General Meeting.

On behalf of the board



Jenny Aspinall

Secretary

Alderman House
37 Soho Square
London W1D 3QZ

19 March 2003

A. & C. Black (Storage) Limited

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A & C BLACK (STORAGE) LIMITED

We have audited the financial statements on pages 4 to 9.

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 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 transactions with the company 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 of the state of the company's affairs at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

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

19 March 2003

A. & C. Black (Storage) Limited

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2002

	<i>Note</i>	2002 £	2001 £
TURNOVER		150,250	150,250
Administrative expenses		<u>(106,648)</u>	<u>(104,827)</u>
OPERATING PROFIT	2	43,602	45,423
Interest receivable		<u>70</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		43,672	45,423
Taxation	4	<u>(7,453)</u>	<u>(11,622)</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR		36,219	33,801
BALANCE BROUGHT FORWARD		<u>369,691</u>	<u>335,890</u>
BALANCE CARRIED FORWARD		<u>405,910</u>	<u>369,691</u>

CONTINUING OPERATIONS

None of the Company's operations were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The Company had no recognised gains or losses for the two years ended 31 December 2002 apart from the results shown above.

A. & C. Black (Storage) Limited

BALANCE SHEET

31 December 2002

	Note	£	2002 £	£	2001 £
FIXED ASSETS					
Tangible assets	5		315,030		321,457
CURRENT ASSETS					
Debtors	6	178,295		140,976	
CREDITORS: amounts falling due within one year	7	<u>(14,315)</u>		<u>(16,642)</u>	
NET CURRENT ASSETS			<u>163,980</u>		<u>124,334</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			479,010		445,791
PROVISION FOR LIABILITIES AND CHARGES					
Deferred taxation	8	<u>(73,000)</u>	<u>(73,000)</u>	<u>(76,000)</u>	<u>(76,000)</u>
NET ASSETS			<u>406,010</u>		<u>369,791</u>
CAPITAL AND RESERVES					
Share capital	9		100		100
Profit and loss account			<u>405,910</u>		<u>369,691</u>
EQUITY SHAREHOLDERS' FUNDS	10		<u>406,010</u>		<u>369,791</u>

The financial statements on pages 4 to 9 were approved by the board of directors on 19 March 2003

Ms. D. J. Coleman

Director



A. & C. Black (Storage) Limited

NOTES ON FINANCIAL STATEMENTS

31 December 2002

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. The Company is a wholly owned subsidiary undertaking and as such has utilised the exemptions provided by Financial Reporting Standard No. 1 and has not prepared a cash flow statement. The cash flows of the Company are included in the consolidated cash flow statement of its ultimate parent company, Bloomsbury Publishing Plc.

Depreciation and amortisation

Fixed assets are depreciated at the following rates on a straight-line basis:

Freehold land	Nil
Freehold building	2% p.a.
Plant	10% p.a.

The above rates are estimated to write off the cost of fixed assets, less any residual value, over their useful lives. A full charge is made in the year of acquisition and no charge in the year of disposal.

Deferred taxation

Deferred taxation is provided in respect of the taxation effect of all timing differences to the extent that the liabilities are likely to crystallise in the foreseeable future.

2	OPERATING PROFIT	2002	2001
		£	£
	This is stated after charging:		
	Depreciation and amortisation	10,464	10,675
	Auditors' remuneration	<u>1,400</u>	<u>1,400</u>
	and crediting:		
	Rents receivable (group)	<u>15,250</u>	<u>15,250</u>

3 DIRECTORS' EMOLUMENTS

No directors' emoluments were payable for the year (2001 - £Nil).

A. & C. Black (Storage) Limited

NOTES ON FINANCIAL STATEMENTS

31 December 2002

4	TAXATION	2002 £	2001 £
(a)	Analysis of tax charge for year		
	United Kingdom corporation tax payable based on the result for the year at 30% (2001: 30%)	12,000	13,250
	Adjustment in respect of prior years (credit)	(1,547)	1,372
	Transfer from deferred taxation (Note 8)	<u>(3,000)</u>	<u>(3,000)</u>
		<u>7,453</u>	<u>11,622</u>
(b)	Factors affecting tax charge for the year		
	The tax charge (2001: charge) for the year is less than (2001: less than) the applied rate of corporation tax in the United Kingdom for this company of 30% (2001: 30%).		
	The differences are explained below:		
	Profit on ordinary activities before taxation	<u>43,672</u>	<u>45,423</u>
	Profit on ordinary activities before taxation multiplied by the applied rate of corporation tax of 30% (2001: 30%)	13,101	13,627
	Effects of:		
	Depreciation in period in excess of capital allowances	2,765	2,945
	Deferred tax movement	(3,000)	(3,000)
	Rounding differences	473	1,547
	Marginal relief	(4,339)	(4,869)
	Adjustment to taxation of prior years	<u>(1,547)</u>	<u>1,372</u>
		<u>7,453</u>	<u>11,622</u>
5	TANGIBLE FIXED ASSETS		
		Freehold Land and Buildings £	Plant £ Total £
	Cost		
	At 1 January 2002	558,657	115,951
	Additions	<u>1,108</u>	<u>2,929</u>
	At 31 December 2002	<u>559,765</u>	<u>118,880</u>
	Depreciation and amortisation		
	At 1 January 2002	237,400	115,751
	Charge for year	<u>10,050</u>	<u>414</u>
	At 31 December 2002	<u>247,450</u>	<u>116,165</u>
	Net book amount		
	At 31 December 2002	<u>312,315</u>	<u>2,715</u>
	At 31 December 2001	<u>321,257</u>	<u>200</u>

A. & C. Black (Storage) Limited

NOTES ON FINANCIAL STATEMENTS

31 December 2002

6	DEBTORS	2002 £	2001 £
	Amounts falling due within one year		
	Immediate parent company	162,601	121,962
	Corporation tax recoverable	1,547	7,128
	Prepayments	<u>14,147</u>	<u>11,886</u>
		<u>178,295</u>	<u>140,976</u>
7	CREDITORS		
	Amounts falling due within one year		
	Corporation tax payable	12,000	13,250
	Accruals	<u>2,315</u>	<u>3,392</u>
		<u>14,315</u>	<u>16,642</u>
8	PROVISIONS FOR LIABILITIES AND CHARGES		Accelerated capital allowances £
	Deferred taxation:		
	Full provision has been made, based on a corporation tax rate of 30%, in respect of corporation tax deferred because of timing differences:		
	1 January 2002		76,000
	Transfer to profit and loss account		<u>(3,000)</u>
	31 December 2002		<u>73,000</u>
	There was no unprovided deferred taxation at 31 December 2002 (2001: £Nil).		
9	SHARE CAPITAL		2002 and 2001 £
	Authorised 1,000,000 Ordinary shares of £1 each		<u>1,000,000</u>
	Allotted, called up and fully paid 100 Ordinary shares of £1 each		<u>100</u>
10	RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS	2002 £	2001 £
	1 January 2002	369,791	335,990
	Profit for the year	<u>36,219</u>	<u>33,801</u>
	31 December 2002	<u>406,010</u>	<u>369,791</u>

A. & C. Black (Storage) Limited

NOTES ON FINANCIAL STATEMENTS

31 December 2002

11 ULTIMATE PARENT COMPANY

The ultimate parent company is Bloomsbury Publishing Plc, a company incorporated in Great Britain and registered in England and Wales.

12 GUARANTEE

The company is party to a cross guarantee in respect of the bank borrowings of certain group undertakings.

13 RELATED PARTIES

The company has taken advantage of the exemption offered by Financial Reporting Standard No. 8 to disclose intra-group transactions in the financial statements of a subsidiary where 90% of the voting rights are controlled within the group.