

# A. & C. Black (Storage) Limited

## DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2003



Company Registration Number : 1173530

# A. & C. Black (Storage) Limited

## DIRECTORS' REPORT

31 December 2003

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The directors have pleasure in submitting their annual report and the audited financial statements for the year ended 31 December 2003.

### BUSINESS REVIEW

The company continued to provide storage facilities to fellow subsidiary undertakings during the year. Subsequent to the year end, the company has reached agreement to sell its storage facility to a third party. It is expected that the sale will be completed at the end of April 2004 and that the company will cease trading at that time and remain dormant for the foreseeable future.

### RESULT AND DIVIDEND

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

The directors do not recommend the payment of a dividend. (2002: £Nil).

### TANGIBLE FIXED ASSETS

On 1 March 2004 the company exchanged contracts for the sale of its freehold land and buildings for a consideration of £1,355,000. In the opinion of the directors, therefore the market value of the company's freehold land and buildings at 31 December 2003 was £1,355,000. Details of the expected taxation consequences of the disposal are shown in note 13 to the financial statements.

### DIRECTORS AND THEIR INTERESTS

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

Ms. D.J. Coleman

T.E. Rovelett

Neither of the directors had any interest in the share capital of the company at any time during the year. Ms. D J Coleman is a director of the ultimate parent company, Bloomsbury Publishing PLC, and her interest in its share capital is shown in the Annual Report accompanying the group accounts. T.E. Rovelett is a director of the immediate parent company, A&C Black Limited, and details of his interest in the share capital of group companies are disclosed in the directors' report of that company.

### 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.

We are also responsible for preparing the directors' report and other information in the annual report in accordance with company law in the United Kingdom.

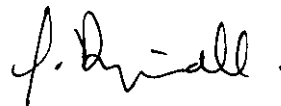
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DIRECTORS' REPORT  
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AUDITORS

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

Registered office:

Alderman House  
38 Soho Square  
London W1D 3QZ

22 March 2004

# A. & C. Black (Storage) Limited

## INDEPENDENT AUDITORS' REPORT

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### 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.

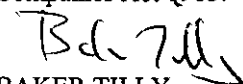
#### BASIS OF OPINION

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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

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

22 March 2004

# A. & C. Black (Storage) Limited

## PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2003

	<i>Note</i>	2003 £	2002 £
TURNOVER	1	150,250	150,250
Administrative expenses		(116,762)	(106,648)
OPERATING PROFIT	2	33,488	43,602
Interest receivable		16	70
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		33,504	43,672
Taxation	4	(4,179)	(7,453)
RETAINED PROFIT FOR THE FINANCIAL YEAR		29,325	36,219
BALANCE BROUGHT FORWARD		405,910	369,691
BALANCE CARRIED FORWARD		435,235	405,910

### CONTINUING OPERATIONS

None of the company's operations was 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 2003 apart from the results shown above.

# A. & C. Black (Storage) Limited

## BALANCE SHEET

31 December 2003

	Note	£	2003 £	£	2002 £
FIXED ASSETS					
Tangible assets	5		329,005		315,030
CURRENT ASSETS					
Debtors	6	185,818		178,295	
CREDITORS: amounts falling due within one year	7	(8,488)		(14,315)	
NET CURRENT ASSETS			177,330		163,980
TOTAL ASSETS LESS CURRENT LIABILITIES			506,335		479,010
PROVISION FOR LIABILITIES AND CHARGES					
Deferred taxation	8		(71,000)		(73,000)
NET ASSETS			435,335		406,010
CAPITAL AND RESERVES					
Share capital	9		100		100
Profit and loss account			435,235		405,910
EQUITY SHAREHOLDERS' FUNDS	10		435,335		406,010

The financial statements on pages 4 to 9 were approved by the board of directors on 22 March 2004

Ms. D. J. Coleman

Director



# A. & C. Black (Storage) Limited

## NOTES ON FINANCIAL STATEMENTS

31 December 2003

### 1 ACCOUNTING POLICIES

(a) *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.

(b) *Turnover*

Turnover represents amounts invoiced to customers for services provided during the year and excludes value added tax.

(c) *Tangible fixed assets*

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

Freehold land	Nil
Freehold buildings	2% p.a.
Plant and equipment	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.

(d) *Deferred taxation*

Provision is made for deferred taxation on all timing differences between profit as disclosed in the financial statements and as computed for taxation purposes. The provision is made at the rate of corporation tax expected to apply when the timing differences are expected to reverse. Deferred tax assets are only included in the financial statements where recovery is more likely than not. Deferred taxation is measured on a non-discounted basis.

(e) *Leasing transactions*

Rents receivable from group companies are credited to the profit and loss account as they fall due.

2	OPERATING PROFIT	2003	2002
		£	£
	This is stated after charging:		
	Depreciation of tangible fixed assets	13,115	10,464
	Auditors' remuneration	1,400	1,400
		<u>          </u>	<u>          </u>
	and crediting:		
	Rents receivable from group companies	15,250	15,250
		<u>          </u>	<u>          </u>

### 3 DIRECTORS' EMOLUMENTS AND STAFF COSTS

The only persons employed by the company during the year were the directors and the company secretary.

No emoluments were payable for the year (2002 - £Nil).

# A. & C. Black (Storage) Limited

## NOTES ON FINANCIAL STATEMENTS

31 December 2003

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TAXATION		2003 £	2002 £
(a)	Analysis of tax charge for year		
	United Kingdom corporation tax payable based on the profit for the year at 30% (2002: 30%)	8,000	12,000
	Adjustment in respect of prior years	(1,821)	(1,547)
		<u>6,179</u>	<u>10,453</u>
	Transfer from deferred taxation (Note 8)	(2,000)	(3,000)
		<u>4,179</u>	<u>7,453</u>
(b)	Factors affecting tax charge for the year		
	The tax charge for the year is less than the standard rate of corporation tax in the United Kingdom of 30% (2002: 30%).		
	The differences are explained below:		
	Profit on ordinary activities before taxation	33,504	43,672
		<u>10,051</u>	<u>13,101</u>
	Profit on ordinary activities before taxation multiplied by the standard rate of corporation tax of 30% (2002: 30%)		
	Effects of:		
	Depreciation in year in excess of capital allowances	1,870	2,765
	Rounding corporation tax payable	450	473
	Marginal relief	(4,371)	(4,339)
	Adjustment to taxation of prior years	(1,821)	(1,547)
		<u>6,179</u>	<u>10,453</u>

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TANGIBLE FIXED ASSETS	Freehold land and buildings £	Plant and equipment £	Total £
Cost			
At 1 January 2003	559,765	118,880	678,645
Additions	-	27,090	27,090
At 31 December 2003	<u>559,765</u>	<u>145,970</u>	<u>705,735</u>
Depreciation and amortisation			
At 1 January 2003	247,450	116,165	363,615
Charge for year	10,096	3,019	13,115
At 31 December 2003	<u>257,546</u>	<u>119,184</u>	<u>376,730</u>
Net book amount			
At 31 December 2003	<u>302,219</u>	<u>26,786</u>	<u>329,005</u>
At 31 December 2002	<u>312,315</u>	<u>2,715</u>	<u>315,030</u>



# A. & C. Black (Storage) Limited

## NOTES ON FINANCIAL STATEMENTS

31 December 2003

6	DEBTORS	2003 £	2002 £
	Amounts falling due within one year		
	Immediate parent company	172,795	162,601
	Corporation tax recoverable	-	1,547
	Prepayments	13,023	14,147
		<u>185,818</u>	<u>178,295</u>
7	CREDITORS		
	Amounts falling due within one year		
	Corporation tax payable	8,000	12,000
	Accruals	488	2,315
		<u>8,488</u>	<u>14,315</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 2003		73,000
	Transfer to profit and loss account		(2,000)
	31 December 2003		<u>71,000</u>
	There was no unprovided deferred taxation at 31 December 2003 (2002: £Nil).		
9	SHARE CAPITAL		2003 and 2002 £
	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>

# A. & C. Black (Storage) Limited

## NOTES ON FINANCIAL STATEMENTS

31 December 2003

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10	RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS	2003 £	2002 £
	1 January 2003	406,010	369,791
	Profit for the year	29,325	36,219
	31 December 2003	<u>435,335</u>	<u>406,010</u>

### 11 GUARANTEE

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

### 12 RELATED PARTIES

The company has taken advantage of the exemption offered by Financial Reporting Standard No. 8 not to disclose intra-group transactions in the financial statements of a subsidiary where 90% of the voting rights are controlled within the group.

### 13 POST BALANCE SHEET EVENTS

On 1 March 2004 the company exchanged contracts for the sale of its freehold land and buildings for a consideration of £1,355,000. It is expected that the sale will be completed at the end of April 2004. No corporation tax is expected to arise on the sale.

### 14 ULTIMATE PARENT COMPANY

The ultimate parent company is Bloomsbury Publishing PLC, a company incorporated in Great Britain and registered in England and Wales. Copies of the consolidated financial statements of Bloomsbury Publishing PLC may be obtained from the Company Secretary, Bloomsbury Publishing PLC, 38 Soho Square, London W1D 3HB.