

Company Registration No. 2280993

Taylor & Francis Group Limited

Report and Financial Statements

31 December 2005

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Taylor & Francis Group Limited

Report and financial statements 2005

Contents	Page
Officers and professional advisers	1
Directors' report	2
Statement of Directors' responsibilities	4
Independent auditors' report	5
Profit and loss account	6
Statement of total recognised gains and losses	7
Balance sheet	8
Notes to the accounts	9

Taylor & Francis Group Limited

Report and financial statements 2005

Officers and professional advisers

Directors

A M Foye
R G Horton
J S Thomasson
J W Burton

Secretary

S A Richmond

Registered Office

Mortimer House
37-41 Mortimer Street
London
W1T 3JH

Auditors

Deloitte & Touche LLP
Chartered Accountants
Reading

Taylor & Francis Group Limited

Directors' report

The Directors present their annual report and the audited financial statements for the year ended 31 December 2005

Principal activity

During the year the Company's principal activity was acting as an intermediate holding Company and the Directors expect the Company to continue in this role for the foreseeable future

The directors have no plans to change the activity of the company in the coming year

Review of developments

The results of the Company are set out in the profit and loss account on page 6

Since the end of the year, following an assessment of the functional currency of the company, the Board of Directors of Informa plc (the ultimate parent company to Taylor & Francis Group Limited), approved a change of functional currency from pounds sterling to the US dollar. The US dollar is considered to be more appropriate as the functional currency since the underlying balances and transactions of the company relating to the intercompany debts and loans (which make up the majority of balances and transactions) are denominated in US dollars and hence this gives a clearer and fairer presentation of the results and financial position of the company. These accounts are, therefore, stated in US dollars for 2005 and US dollars as re-stated for 2004 comparatives.

Dividends

No dividends will be distributed for the year ended 31 December 2005 (2004 Nil)

Directors and their interests

The Directors who held office during the year and to date are as follows

D Smith	(resigned 9 March 2005)
A M Foye	
R G Horton	
J S Thomasson	
J W Burton	(appointed 3 November 2006)

Taylor & Francis Group Limited

Directors' report (continued)

Directors and their interests (continued)

Mr R G Horton had a beneficial interest in 143,891 ordinary shares in the ultimate parent Company, Informa plc, as at 31 December 2005 (2004 143,891) During 2005 he subscribed for and sold 57,556 Informa plc shares

Mr J S Thomasson had a beneficial interest in 3,366 ordinary shares in the ultimate parent Company, Informa plc, as at 31 December 2005 (2004 nil) During 2005 he subscribed for and sold 23,247 Informa plc shares

Set out below are the details of options to acquire shares in Informa plc held by the above Directors who served during the year

	1 January 2005	Granted	Exercised	Lapsed	19 July 2005
R G Horton	203,895	-	-	-	203,895
J S Thomasson	119,539	-	(26,613)	-	92,926

Following a rights issue in July 2005 option price was decreased by a factor of 1 12 and number of options increased by a factor of 1 12

	20 July 2005	Granted	Exercised	Lapsed	31 December 2005
R G Horton	228,360	28,898	-	-	257,258
J S Thomasson	104,076	19,372	-	-	123,448

The interests of the other Directors in the shares of Informa plc are shown in the accounts of that Company

Auditors

A resolution for the re-appointment of Deloitte & Touche LLP will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board



S A Richmond
Secretary

17 July 2007

Taylor & Francis Group Limited

Statement of Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Taylor & Francis Group Limited

Independent auditors' report to the members of Taylor & Francis Group Limited

We have audited the financial statements of Taylor & Francis Group Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

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 auditors' 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 Statement of Directors' Responsibilities the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the relevant financial reporting framework 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, 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 other transactions is not disclosed.

We read the Directors' 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 International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2005 and of its loss for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

Reading

17 July 2007

Taylor & Francis Group Limited

Profit and loss account Year ended 31 December 2005

		2005 \$'000	2004 \$'000 As restated (See note 16)
Turnover		-	-
Net operating expense	3	-	(10,173)
Operating loss	3	-	(10,173)
Merger costs	4	-	(18,849)
(Loss on write off) / profit on disposal of fixed asset investment	7	(57,845)	306,563
Interest receivable and similar income	5A	36,499	10,438
Interest payable and similar charges	5B	(7,773)	(12,673)
(Loss) / profit on ordinary activities before taxation		(29,119)	275,306
Tax (charge) / credit on (loss) / profit on ordinary activities	6	(8,618)	11
(Loss) / profit on ordinary activities after taxation		(37,737)	275,317
Retained (loss) / profit for the financial year transferred (from) / to reserves	14	(37,737)	275,317

All results derive from continuing operations

Taylor & Francis Group Limited

Statement of total recognised gains and losses Year ended 31 December 2005

		2005	2004
		\$'000	\$'000
	Note		As restated (See note 16)
(Loss) / profit attributable to shareholders	14	(37,737)	275,317
Currency translation differences	14	-	(5,319)
Total recognised gains and losses relating to the year		<u>(37,737)</u>	<u>269,998</u>

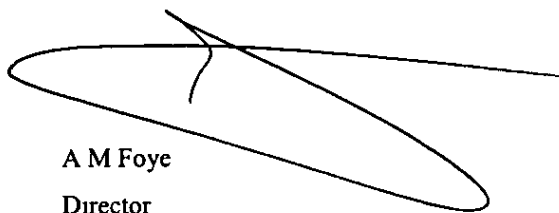
Taylor & Francis Group Limited

Balance sheet 31 December 2005

		2005 \$'000	2004 \$'000 As restated (See note 16)
	Note		
Fixed assets			
Investments	7	683,631	762,272
Current assets			
Debtors	8	7,627	101
		7,627	101
Creditors: amounts falling due within one year	9	(317,307)	(13,553)
Net current liabilities		(309,680)	(13,452)
Total assets less current liabilities		373,951	748,820
Creditors: amounts falling due after more than one year	10	-	(334,901)
		373,951	413,919
Capital and reserves			
Called up share capital	11	8,356	8,354
Share premium account	12	91,233	91,013
Reserve for own shares	13	-	2,453
Profit and loss account	14	274,362	312,099
Total equity shareholder's funds		373,951	413,919

These financial statements were approved by the Board of Directors on 17 July 2007

Signed on behalf of the Board of Directors



A M Foye
Director

Taylor & Francis Group Limited

Notes to the accounts Year ended 31 December 2005

1. Accounting policies

The financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are described below and have been applied consistently throughout the current and prior years in dealing with items which are considered material in relation to the Company's financial statements.

On 1 January 2005 the Company changed its functional currency from United Kingdom pounds sterling to United States dollars. The 2004 comparative figures have been restated to reflect this change.

Basis of preparation

The financial statements have been prepared under the historical cost accounting convention.

The Company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking, Informa plc, includes the Company in its own consolidated financial statements, which are publicly available.

As the Company is a wholly owned subsidiary and the Company's voting rights are controlled within the group headed by Informa plc (formerly, T&F Informa plc), the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Informa plc within which this Company is included, can be obtained from the address given in note 15.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment in value.

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling on the date of the transaction. At the balance sheet date monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at that date. These translation differences are dealt with in the profit and loss account.

Investments held in subsidiaries denominated in foreign currencies are translated at rates of exchange ruling at the balance sheet date and differences arising from the translation matched against long term foreign currency borrowings are taken directly to reserves.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid for recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Taylor & Francis Group Limited

Notes to the accounts

Year ended 31 December 2005

2. Directors' remuneration

The Directors received no remuneration in respect of their services to the Company during the current or preceding year

Two Directors (D Smith and A M Foye) were executives of the holding Company, Informa plc and were also Directors of a number of UK and US operating companies in the group, including Taylor & Francis Group plc prior to its acquisition by Informa plc. In addition one Director (J S Thomasson) was also remunerated by Informa plc (and previously by Taylor and Francis Group plc) and is a Director of a number of UK operating companies in the group. A further Director (R Horton) was an executive of Taylor and Francis Group plc prior to its acquisition by T&F Informa plc and is also a Director of a number of UK and US operating companies in the group.

These four Directors received total emoluments of £2,169,000 (2004 £1,709,000) during the year, but it is not practicable to allocate this between their services as executives of those companies and their services as Directors of the UK and US operating companies. In addition, three of the Directors (A M Foye, R G Horton and J S Thomasson) are each accruing benefits under the Taylor & Francis Group Limited group pension scheme, which is a defined benefit scheme, in respect of their services to the group.

3. Operating loss

There were no employees during the year (2004 15)

	2005 \$'000	2004 \$'000 As restated (See note 16)
Net operating expenses		
Wages and salaries	-	3,655
Social security costs	-	468
Pension costs	-	434
Other operating charges	-	5,616
	<u>-</u>	<u>10,173</u>

	2005 \$'000	2004 \$'000 As restated (See note 16)
Operating loss is stated after charging		
Auditor's remuneration		
- audit	-	46
	<u>-</u>	<u>46</u>

Auditors' remuneration in 2005 was paid by another group undertaking. In addition fees of \$Nil (2004 \$732,000) were paid to the auditors during the year in connection with the merger with the Informa group.

4. Merger costs

Merger costs represent expenses incurred in association with the merger on 10 May 2004 with Informa Group plc.

Taylor & Francis Group Limited

Notes to the accounts Year ended 31 December 2005

5.A Interest receivable and similar income

	2005 \$'000	2004 \$'000 As restated (See note 16)
Bank interest receivable	112	554
Interest received from other group undertakings	30,588	9,884
Exchange gain	5,799	-
	<u>36,499</u>	<u>10,438</u>

5.B Interest payable and similar charges

	2005 \$'000	2004 \$'000 As restated (See note 16)
Bank loans and loan notes	38	4,559
Interest payable to other group undertakings	7,735	7,814
Amortisation of loan premium	-	300
	<u>7,773</u>	<u>12,673</u>

Taylor & Francis Group Limited

Notes to the accounts Year ended 31 December 2005

6. Tax on (loss) / profit on ordinary activities

	2005 \$'000	2004 \$'000 As restated (See note 16)
United Kingdom corporation tax at 30% (2004 30%)	(8,736)	77,505
Profit on internal sale of investments	-	(86,882)
Amounts written off investments	17,354	-
Expenses not deductible for tax purposes	-	3,307
Group relief payable for nil consideration	-	6,059
Movement in short term timing differences	-	11
	<u>8,618</u>	<u>-</u>
Deferred taxation		
- Origination and reversal of timing differences	-	(11)
	<u>-</u>	<u>(11)</u>
Tax charge / (credit) on loss / (profit) on ordinary activities	<u><u>8,618</u></u>	<u><u>(11)</u></u>

The standard rate of tax, based on the UK standard rate of corporation tax is 30% (2004 30%) The actual tax assessed for the period differs from the standard rate for the reasons set out in the following reconciliation

	2005 %	2004 %
Standard tax rate for period as a percentage of (losses) / profits	<u>30</u>	<u>30</u>
Effects of		
Expenses not deductible for tax purposes	(60)	(11)
Group relief payable for nil consideration	-	(19)
	<u>(30)</u>	<u>-</u>
Current tax rate for period as a percentage of (losses) / profits	<u><u>(30)</u></u>	<u><u>-</u></u>

Taylor & Francis Group Limited

Notes to the accounts Year ended 31 December 2005

7. Investments

	Investments 2005 \$'000	Loans to group undertakings 2005 \$'000	Total 2005 \$'000	Total 2004 \$'000 As restated (See note 16)
At beginning of year	165,413	596,859	762,272	283,739
At beginning of year (revised, see below)	174,067	588,205	762,272	
Exchange movements	(17,871)	(563)	(18,434)	-
Additions during year	5,265	-	5,265	513,318
Repayments during the year	-	-	-	(2,107)
Disposals during year	-	-	-	(32,678)
Amounts transferred to current asset group debtors	-	(7,627)	(7,627)	-
Amounts written off investments	(57,845)	-	(57,845)	-
	<u>103,616</u>	<u>580,015</u>	<u>683,631</u>	<u>762,272</u>

The addition during the year represents additional consideration payable in relation to the 2003 acquisition of Frank Cass & Co Limited, which was paid in cash in January 2006

Following the sale of the trade and assets of certain subsidiary undertakings to another group undertaking, the value of investments has been written down to reflect the revised net asset value of the subsidiaries

An adjustment has been made to the split between Investments and Loans to group undertakings at 1 January 2005 to reflect the underlying balances

Taylor & Francis Group Limited

Notes to the accounts

Year ended 31 December 2005

7. Investments (continued)

The Company's principal subsidiary undertakings are as follows

Company	Country of registration/ incorporation	Principal activity	Ordinary shares held
Afterhurst Limited ¹	England & Wales	Distribution of books	100%
Psychology Press Limited	England & Wales	Publishing of psychology books and journals	100%
Routledge Publishing Holdings Limited	England & Wales	Holding Company	100%
Taylor & Francis AB ¹	Sweden	Provision of publishing services	100%
Taylor & Francis AS ¹	Norway	Publishing of journals	100%
Taylor & Francis Books Limited ¹	England & Wales	Publishing of books	100%
Bios Scientific Publishing Limited	England & Wales	Publishing of books	100%
Taylor & Francis Limited	England & Wales	Publishing and distribution of journals	100%
Taylor & Francis Publishing Services Limited	England & Wales	Provision of publishing services	100%
Tonterton Limited	Jersey	Holding Company	100%
UCL Press Limited ¹	England & Wales	Publishing of books	100%

In the opinion of the Directors the investments in and amounts due from the Company's subsidiary undertakings are worth at least the amounts at which they are stated in the balance sheet. Details of other non-trading subsidiaries are available from the Company's registered office.

¹ These companies are indirect subsidiaries of Taylor & Francis Group Limited

Taylor & Francis Group Limited

Notes to the accounts Year ended 31 December 2005

8. Debtors

	2005 \$'000	2004 \$'000 As restated (See note 16)
Deferred tax asset	-	12
Other debtors	-	89
Amounts owed by group undertakings	7,627	-
	<u>7,627</u>	<u>101</u>

The deferred tax asset represents the tax effect of short term timing differences

	2005 \$'000
Opening deferred tax asset	12
Charge to the profit and loss account	(12)
Closing deferred tax asset	<u>-</u>

9. Creditors: amounts falling due within one year

	2005 \$'000	2004 \$'000 As restated (See note 16)
Bank overdrafts	3	2,039
Loan notes	499	653
Amounts owed to group undertakings	302,494	8,983
Corporation tax	8,628	-
Accruals and deferred income	5,783	1,878
	<u>317,307</u>	<u>13,553</u>

10. Creditors: amounts falling due after more than one year

	2005 \$'000	2004 \$'000 As restated (See note 16)
Amounts owed to group undertakings	<u>-</u>	<u>334,901</u>

Taylor & Francis Group Limited

Notes to the accounts Year ended 31 December 2005

11. Called up share capital

	2005 \$'000	2004 \$'000 As restated (See note 16)
Authorised		
125,000,000 ordinary shares of £0.05 each	12,103	12,103
Called up, allotted and fully paid		
86,311,089 ordinary shares of £0.05 each (2004)		
86,277,697 ordinary shares of £0.05 each	8,356	8,354

The sterling share capital of the Company was reduced and the US\$ share capital increased under a Court Order filed with the Registrar of Companies. The effective date of the redenomination was 4 May 2006 and the share capital for 31 December 2005 and 2004 have been restated to reflect this change.

12. Share premium account

	2005 \$'000	2005 \$'000 As restated (See note 16)
Share premium	91,233	91,013

13. Reserve for own shares

	\$'000
At 1 January 2005 (As restated – see note 16)	2,453
Repaid during year	(2,453)
At 31 December 2005	-

The balance at 31 December 2004 represented deferred consideration payable to the vendors of Routledge Publishing Holdings Limited if no claims were made against warranties given on the sale of that Company. In November 2005 the deferred consideration was settled in full via the payment of cash.

Taylor & Francis Group Limited

Notes to the accounts Year ended 31 December 2005

14. Movement in shareholders' funds

	Share capital 2005 \$'000	Share Premium 2005 \$'000	Reserve for own shares 2005 \$'000	Profit and loss account 2005 \$'000	Total 2005 \$'000	Total 2004 \$'000 As restated (See note 16)
At 1 January	8,354	91,013	2,453	312,099	413,919	143,921
(Loss) / profit on ordinary activities after taxation	-	-	-	(37,737)	(37,737)	275,317
Issue of shares	2	220	-	-	222	-
Reserve for own shares repaid during year	-	-	(2,453)	-	(2,453)	-
Currency translation differences	-	-	-	-	-	(5,319)
At 31 December	<u>8,356</u>	<u>91,233</u>	<u>-</u>	<u>274,362</u>	<u>373,951</u>	<u>413,919</u>

15. Ultimate parent company and controlling party

At the year end the ultimate parent undertaking and controlling party was Informa plc, a company registered in England & Wales. Informa plc is also the parent company of the largest and smallest group of which the company is a member and for which group financial statements are prepared. The accounts of Informa plc may be obtained from the Company Secretary, Informa plc, 37-41 Mortimer Street, London, W1T 3JH.

16. Change in functional currency

The company changed its functional currency from pounds sterling to US dollars during the year. The US dollar is considered by the directors to be more appropriate as the functional currency since the underlying balances and transactions of the company relating to the intercompany debts and loans (which make up the majority of balances and transactions) are denominated in US dollars and hence this gives a clearer and fairer presentation of the results and financial position of the company. The comparative figures in the primary statements and notes have been restated to reflect the new functional currency.