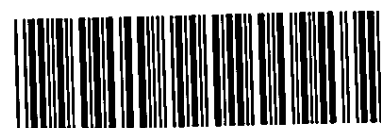


**BOOKSOURCE LIMITED**  
**COMPANY NUMBER: 05167419**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2009**

FRIDAY



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**BOOKSOURCE LIMITED**

**REPORTS AND ACCOUNTS FOR THE YEAR ENDED 30 APRIL 2009**

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**BOOKSOURCE LIMITED**

**DIRECTORS AND OTHER INFORMATION**

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**DIRECTORS:**

Nicholas Croydon  
Clive Goss

**SECRETARY AND  
REGISTERED OFFICE:**

MoFo Secretaries Limited  
Citypoint  
1 Ropemaker Street  
London  
EC2Y 9AW

**AUDITORS:**

Horwath Bastow Charleton  
Chartered Accountants and Registered Auditors  
Marine House  
Clanwilliam Court  
Dublin 2  
Ireland

**BANKERS:**

Bank of Scotland  
14-16 Cockspur Street  
London  
SW1Y 5BL

**REGISTERED NUMBER:  
(Registered in England)**

05167419

**SOLICITORS:**

Morrison & Foerster  
Citypoint  
1 Ropemaker Street  
London  
EC2Y 9AW

## BOOKSOURCE LIMITED

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 APRIL 2009

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The directors submit their report together with the audited financial statements for the year ended 30 April 2009.

#### DIRECTORS RESPONSIBILITIES

The directors are responsible for the preparation of the financial statements in accordance with applicable law and Generally Accepted Accounting Practice in the United Kingdom including the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in England and Wales. The directors are also required to prepare the financial statements on a going concern basis 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 the year. In preparing the financial statements, the directors are required to select suitable accounting policies and then apply them consistently and to make judgments and estimates that are reasonable and prudent. The directors confirm that they have complied with the above requirements in preparing the financial statements.

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 ensure that the financial statements comply with the Companies Act 2006. To ensure that proper books and accounting records are kept in accordance with the Companies Act 2006, the company has employed appropriately qualified personnel and has maintained computerized accounting systems. The books of account are located at Sky House, Raans Road, Amersham, Buckinghamshire, HP6 6JQ. The directors 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.

#### BUSINESS REVIEW AND FUTURE ACTIVITIES

The principal activity of the company is that of wholesale book selling.

During the year, the company wound down its operations. The directors are currently reviewing possible future business opportunities for the company in the area of book wholesaling.

#### RESULTS, DIVIDENDS AND RETENTIONS

	2009	2008
	£	£
The results and appropriations are summarised as follows:		
(Loss)/profit for the year, after taxation	(21,186)	41,980
Balance at beginning of year	68,178	50,298
	<hr/>	<hr/>
	46,992	92,278
Dividends	-	(24,100)
	<hr/>	<hr/>
Balance at end of year	46,992	68,178
	<hr/>	<hr/>

The directors do not recommend the declaration of a dividend.

#### STATE OF AFFAIRS AND EVENTS SINCE THE BALANCE SHEET DATE

In the opinion of the directors, the state of the company's affairs is satisfactory and there has been no material change since the balance sheet date.

#### TANGIBLE FIXED ASSETS

Details of the movements in tangible fixed assets are shown in note 7 to the accounts.

## BOOKSOURCE LIMITED

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 APRIL 2009

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#### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### GROUP STRUCTURE

100% of the share capital of Booksource Limited is owned by Columbia Marketing Limited, a company incorporated in the United Kingdom. Columbia Marketing Limited is a wholly owned subsidiary of Three C Publishing Limited, a company also incorporated in the United Kingdom.

#### PRINCIPAL RISKS AND UNCERTAINTIES

The directors are responsible for the company's system of internal controls and for reviewing its effectiveness. The internal control system is designed to manage, rather than eliminate the risk of failure to achieve the company's business objectives and can only provide reasonable and not absolute assurance against material misstatement of loss.

In the opinion of the directors the company has no significant exposure to business risks due to the cessation of trading. The Board of Directors continuously monitors risks and uncertainties and takes action to mitigate them as appropriate.

#### DIRECTORS AND THEIR INTERESTS

The present membership of the board is set out on page 2.

The present directors and secretary held the following beneficial interest in the share capital of the company at the balance sheet dates:

	Ordinary shares of £1 each:	
	2009	2008
Nicholas Croydon	-	-
Angus Campbell (resigned on 19 June 2008)	-	25
Clive Goss	-	-
	<u>          </u>	<u>          </u>

The directors and secretary held the following shares in the ultimate holding company, Three C Publishing Limited, at the balance sheet dates:

	Ordinary shares of £1 each:	
	2009	2008
Nicholas Croydon	88,000	53,000
Angus Campbell (resigned on 19 June 2008)	-	-
Clive Goss	-	-
	<u>          </u>	<u>          </u>

**BOOKSOURCE LIMITED**

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 APRIL 2009**

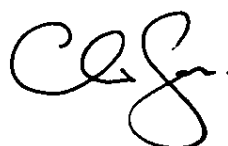
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**AUDITORS**

Horwath Bastow Charleton have expressed their willingness to continue as auditors for the next financial year. A resolution allowing the directors to fix their remuneration will be put to the Annual General Meeting.

**BY ORDER OF THE BOARD**

**CLIVE GOSS  
DIRECTOR**

A handwritten signature in black ink, appearing to be 'C. Goss', written over a horizontal line.

**DATE: 29 JANUARY 2010**

## **BOOKSOURCE LIMITED**

### **INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF BOOKSOURCE LIMITED**

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We have audited the financial statements of Booksource Limited for the year ended 30 April 2009 which comprise the Profit and Loss Account and Balance Sheet and related notes on pages 8 to 15 and which have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Sections 495 to 496 of the Companies Act 2006. 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'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 on page 3 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 (United Kingdom and Ireland).

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 2006. 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 the 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 misstatement within it.

#### **SCOPE OF THE AUDIT**

We conducted our audit in accordance with International Standards on Auditing (United Kingdom 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 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.

## **BOOKSOURCE LIMITED**

### **INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF BOOKSOURCE LIMITED**

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#### **OPINION**

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 30 April 2009 and of its result for the year then ended.

The financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and in accordance with the requirements of the Companies Act 2006.

#### **OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

adequate accounting records have not been kept, or returns adequate for our audit have not been received  
branches not visited by us; or

the financial statements are not in agreement with the accounting records and returns; or

certain disclosures of directors' remuneration specified by law are not made; or

we have not received all the information and explanations we require for our audit.

**Sharon Gallen**  
**Senior Statutory Auditor**  
**for and on behalf of;**  
**Horwath Bastow Charleton**  
**Chartered Accountants and Registered Auditors**  
**Marine House**  
**Clanwilliam Court**  
**Dublin 2**  
**Ireland**

**Date: 29 January 2010**



## **BOOKSOURCE LIMITED**

### **STATEMENT OF ACCOUNTING POLICIES**

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The following accounting policies are applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### **BASIS OF ACCOUNTING**

The financial statements have been prepared under the historical cost convention and in accordance with accounting standards generally accepted in the United Kingdom and the Companies Act 2006. Accounting Standards generally accepted in the United Kingdom in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in England and Wales and issued by the Accounting Standards Board.

#### **TURNOVER**

The turnover shown in the profit and loss account represents amounts invoiced during the year, excluding value added tax.

#### **TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are stated in the balance sheet at cost less accumulated depreciation.

Depreciation is provided on all tangible assets, so as to write off the cost or valuation less estimated residual value of each asset over its expected useful economic life at the following annual rates:

Plant and machinery	-	25% reducing balance
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#### **STOCKS**

Stocks are stated at the lower of cost and net realisable, after making due allowance for obsolete and slow moving items. Cost includes all expenditure which has been incurred in the normal course of business in bringing the products to their present location and condition.

Net realisable value is the actual or estimated selling price net of trade discounts, less all further costs to completion and all costs to be incurred in marketing, selling and distribution.

#### **DEFERRED TAXATION**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the 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 is measured on a non discounted basis.

**BOOKSOURCE LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2009**

	Note	2009 £	2008 £
<b>TURNOVER</b>	1	42,368	406,945
<b>COST OF SALES</b>		(53,116)	(306,961)
<b>GROSS (LOSS)/PROFIT</b>		(10,748)	99,984
<b>ADMINISTRATIVE EXPENSES</b>		(9,577)	(46,669)
<b>OPERATING (LOSS)/PROFIT</b>	2	(20,325)	53,315
<b>BANK INTEREST RECEIVABLE</b>		29	1,085
<b>INTEREST PAYABLE AND SIMILAR CHARGES</b>	4	(250)	-
<b>(LOSS) PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(20,546)	54,400
<b>TAXATION</b>	5	(640)	(12,420)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	12	(21,186)	41,980

All of the turnover and results arise from discontinued operations. The company has no recognised gains or losses other than the result for the year which has been calculated on an historical cost basis.

## BOOKSOURCE LIMITED

## BALANCE SHEET AS AT 30 APRIL 2009

	Note	2009 £	2008 £
<b>FIXED ASSETS</b>			
Tangible assets	7	301	386
<b>CURRENT ASSETS</b>			
Stocks	8	-	4,320
Debtors	9	65,039	107,617
Cash at bank and on hand		163	17,142
		65,202	129,079
<b>CREDITORS (Amounts falling due within one year)</b>	10	(18,411)	(61,187)
<b>NET CURRENT ASSETS</b>		46,791	67,892
<b>TOTAL NET ASSETS</b>		47,092	68,278
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	100	100
Profit and loss account	12	46,992	68,178
<b>SHAREHOLDERS' FUNDS</b>	13	47,092	68,278

The financial statements were approved and authorised for issue by the board of directors on 29 January 2010 and signed on its behalf by:

Clive Goss



Director

**BOOKSOURCE LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2009**

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**1. TURNOVER**

The turnover and profit before tax are attributable to the one principal activity of the company.  
All of the turnover arose from activities carried on in the UK.

**2. OPERATING (LOSS)/PROFIT**

Operating (loss)/profit is stated after charging:

	2009	2008
	£	£
Director's emoluments		
Remuneration	-	41,798
Depreciation of tangible assets	85	128
Auditors' remuneration	2,000	4,070
	<u>2,085</u>	<u>42,996</u>

**3. STAFF AND STAFF COSTS**

There were no persons (excluding executive directors) employed during the financial period (2008 : 1).

The aggregate amounts paid to or on behalf of staff are as follows:

	2009	2008
	£	£
Wages and salaries	-	37,500
Social security costs	-	4,298
	<u>-</u>	<u>41,798</u>

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	2009	2008
	£	£
On overdue tax	250	-
	<u>250</u>	<u>-</u>

**BOOKSOURCE LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2009****5. TAXATION**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Based on profit for the period:		
Corporation tax @ 30%/28%	-	13,026
Corporation tax under/(over) provided in prior periods	640	(606)
	<u>640</u>	<u>12,420</u>

**Factors affecting current tax charge:**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
(Loss) profit on ordinary activities before tax	<u>(20,546)</u>	<u>54,400</u>
Profit on ordinary activities at 30%/28%	(6,164)	16,211
Capital allowances less than depreciation	68	58
Marginal relief	-	(3,243)
Loss relief utilised	6,096	-
Total tax charge	<u>-</u>	<u>13,026</u>

**The movement in corporation tax for the period are as follows:**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Balance at the beginning of the year	18,587	13,295
Corporation tax charge for the year	640	12,420
Interest on overdue tax	250	-
Tax paid in the year	(5,719)	(7,128)
Balance at the end of the year (Note 10)	<u>13,758</u>	<u>18,587</u>

**BOOKSOURCE LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2009**

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**6. DIVIDENDS**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Interim dividends paid on ordinary shares - (2008:£964 per share)	<u>-</u>	<u>24,100</u>

**7. TANGIBLE FIXED ASSETS**

	<b>Plant and machinery</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>COST</b>		
At 1 May 2008 and 30 April 2009	<u>1,000</u>	<u>1,000</u>
<b>DEPRECIATION</b>		
At 1 May 2008	614	614
Charge for the year	<u>85</u>	<u>85</u>
At 30 April 2009	<u>699</u>	<u>699</u>
<b>NET BOOK VALUE</b>		
At 30 April 2009	<u>301</u>	<u>301</u>
At 30 April 2008	<u>386</u>	<u>386</u>

**8. STOCKS**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Stocks of books	<u>-</u>	<u>4,320</u>

**BOOKSOURCE LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2009****9. DEBTORS**

	2009	2008
	£	£
Trade debtors	19	42,597
Amounts owed by a group undertaking (Note 14)	30,000	30,000
Amount owed by a related party (Note 14)	35,020	35,020
	<u>65,039</u>	<u>107,617</u>

**10. CREDITORS (amounts falling due within one year)**

	2009	2008
	£	£
Trade creditors	137	234
Amounts owed to a group undertaking (Note 14)	2,516	20,625
Corporation tax (Note 5)	13,758	18,587
Accruals	2,000	21,741
	<u>18,411</u>	<u>61,187</u>

**11. CALLED UP SHARE CAPITAL**

	2009	2008
	£	£
<b>Ordinary shares of £1 each:</b>		
Authorised (100 Shares)	100	100
	<u>100</u>	<u>100</u>
Allotted, called up and fully paid (100 Shares)	<u>100</u>	<u>100</u>

**12. PROFIT AND LOSS ACCOUNT**

	2009	2008
	£	£
Balance at beginning of year	68,178	50,298
(Loss)/profit for the financial year	(21,186)	41,980
Dividends paid (note 6)	-	(24,100)
	<u>46,992</u>	<u>68,178</u>

# BOOKSOURCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2009

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### 13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
(Loss)/profit for the year	(21,186)	41,980
Dividends (Note 6)	-	(24,100)
	<hr/> (21,186)	<hr/> 17,880
Opening shareholders' funds	68,278	50,398
	<hr/> 47,092	<hr/> 68,278
Closing shareholders' funds		

### 14. RELATED PARTY TRANSACTIONS

#### 14.1 TRANSACTIONS WITH GROUP UNDERTAKINGS

During the year the company purchased books with a value of £48,796 (2008 :£111,010) from its immediate parent company, Columbia Marketing Limited. Columbia Marketing Limited charged £4,950 (2008 :£13,044) to the company in respect of administration costs. The company also made payments of £71,495 (2008 :£151,000) to Columbia Marketing Limited during the year. The net amount due at the year end was £2,516 (2008 :£20,265).

At the beginning and end of the year the company was owed £30,000 by Three C Publishing Limited.

#### 14.2 TRANSACTIONS WITH RELATED PARTIES

At the beginning and end of the year the company was owed £35,020 by Bookthrift Limited, a company connected by commonality of directors and shareholders.

### 15. CONTROLLING INTEREST

In the opinion of the directors, the ultimate parent company is controlled by Nicholas Croydon who controls 80% of the issued share capital of the ultimate parent company.