

BOOKSOURCE LIMITED
COMPANY NUMBER 05167419

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2010



BOOKSOURCE LIMITED

REPORTS AND ACCOUNTS FOR THE YEAR ENDED 30 APRIL 2010

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BOOKSOURCE LIMITED

DIRECTORS AND OTHER INFORMATION

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

**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 2010

The directors submit their report together with the audited financial statements for the year ended 30 April 2010

DIRECTORS RESPONSIBILITIES

The 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). 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 computerised 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 was that of wholesale book selling.

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

RESULTS, DIVIDENDS AND RETENTIONS

	2010	2009
	£	£
The results and appropriations are summarised as follows:		
Loss for the year after taxation	(507)	(21,186)
Balance at beginning of year	46,992	68,178
Balance at end of year	<u>46,485</u>	<u>46,992</u>

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 6 to the accounts.

BOOKSOURCE LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 APRIL 2010

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 directors of the company, all of whom served throughout the year unless stated otherwise, are set out below.

Nicholas Croydon
Clive Goss

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**



DATE 23 DECEMBER 2010

BOOKSOURCE LIMITED

INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF BOOKSOURCE LIMITED

We have audited the financial statements of Booksource Limited for the year ended 30 April 2010 which comprise the Profit and Loss Account and Balance Sheet and related notes on pages 7 to 13 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**

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 2010 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 from 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

Christopher Magill F C A
Senior Statutory Auditor
for and on behalf of,

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

Date 23 December 2010

BOOKSOURCE LIMITED

STATEMENT OF ACCOUNTING POLICIES

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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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 2010**

	Note	2010 £	2009 £
TURNOVER	1	-	42,368
COST OF SALES		-	(53,116)
GROSS LOSS		-	(10,748)
ADMINISTRATIVE EXPENSES		(336)	(9,577)
OPERATING LOSS	2	(336)	(20,325)
BANK INTEREST RECEIVABLE		-	29
INTEREST PAYABLE AND SIMILAR CHARGES	4	(171)	(250)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(507)	(20,546)
TAXATION	5	-	(640)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	10	(507)	(21,186)

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. There was no other movement on shareholders funds.

BOOKSOURCE LIMITED**BALANCE SHEET AS AT 30 APRIL 2010**

	Note	2010 £	2009 £
FIXED ASSETS			
Tangible assets	6	-	301
CURRENT ASSETS			
Debtors	7	54,514	65,039
Cash at bank and on hand		-	163
		54,514	65,202
CREDITORS (Amounts falling due within one year)	8	(7,929)	(18,411)
NET CURRENT ASSETS		46,585	46,791
TOTAL NET ASSETS		46,585	47,092
CAPITAL AND RESERVES			
Called up share capital	9	100	100
Profit and loss account	10	46,485	46,992
SHAREHOLDERS' FUNDS		46,585	47,092

The financial statements were approved and authorised for issue by the board of directors on 23 December 2010 and signed on its behalf by

Clive Goss



) Director

BOOKSOURCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2010****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

Operating loss is stated after charging

	2010	2009
	£	£
Depreciation of tangible assets	-	85
Loss on disposal of tangible fixed assets	301	-
Auditors' remuneration	-	2 000

3 STAFF AND STAFF COSTS

There were no persons (excluding executive directors) employed during the financial year and no staff costs were incurred

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2010	2009
	£	£
On overdue tax	171	250

5 TAXATION

	2010	2009
	£	£
Based on profit for the period		
Corporation tax under provided in a prior period	-	640
	-	640

Factors affecting current tax charge

	2010	2009
	£	£
Loss on ordinary activities before tax	(507)	(20,546)
Loss on ordinary activities at 30%	(152)	(6,164)
Capital allowances less than depreciation	-	68
Expenses not allowed for tax	152	-
Group losses relieved	-	6,096
Total tax charge	-	-

BOOKSOURCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2010****6 TANGIBLE FIXED ASSETS**

	Plant and machinery	Total
	£	£
COST		
At 1 May 2009	1,000	1,000
Disposals	(1,000)	(1,000)
At 30 April 2010	-	-
DEPRECIATION		
At 1 May 2009	699	699
On disposals	(699)	(699)
Charge for the year	-	-
At 30 April 2010	-	-
NET BOOK VALUE		
At 30 April 2010	-	-
At 30 April 2009	301	301

7 DEBTORS

	2010	2009
	£	£
Trade debtors	-	19
Amounts owed by group undertakings (Note 11)	54,514	30,000
Amount owed by a related party (Note 11)	-	35,020
	<u>54,514</u>	<u>65,039</u>

BOOKSOURCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2010****8 CREDITORS (amounts falling due within one year)**

	2010 £	2009 £
Trade creditors	-	137
Amounts owed to a group undertaking (Note 11)	-	2,516
Corporation tax	7,929	13,758
Accruals	-	2,000
	<u>7,929</u>	<u>18,411</u>

9 CALLED UP SHARE CAPITAL

	2010 £	2009 £
Ordinary shares of £1 each		
Authorised (100 Shares)	<u>100</u>	<u>100</u>
Allotted, called up and fully paid (100 Shares)	<u>100</u>	<u>100</u>

10 PROFIT AND LOSS ACCOUNT

	2010 £	2009 £
Balance at beginning of year	46,992	68,178
Loss for the financial year	(507)	(21,186)
Balance at end of year	<u>46,485</u>	<u>46,992</u>

11 RELATED PARTY TRANSACTIONS**11.1 TRANSACTIONS WITH GROUP UNDERTAKINGS**

In accordance with Financial Reporting Standard 8 - Related Party Disclosures - transactions between group companies, which are eliminated on consolidation in the group accounts, are not disclosed

11.2 TRANSACTIONS WITH RELATED PARTIES

The amount owed to the company by Bookthrift Limited at the balance sheet date was £nil (2009 £35,020). During the year, the amount due from Bookthrift Limited was assigned to Columbia Marketing Limited, the parent company of Booksource Limited. Bookthrift Limited is related to Booksource Limited due to commonality of directors and shareholders.

BOOKSOURCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2010

12 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

13 CONTINGENT LIABILITIES

The company granted a charge to National Westminster Bank Plc over all of the company assets in respect of borrowings by a group company. The amount outstanding on such borrowings at the year end amounted to £2,388,453 (2009 £2,437,604)