


THE PARTHENON PUBLISHING GROUP LIMITED

Report and Financial Statements

For the year ended 31 December 2001

 ERNST & YOUNG



The Parthenon Publishing Group Limited

Registered number 1749619

DIRECTORS

D G T Bloomer

Fenton J Markevich

(appointed 15 May 2001)

SECRETARY

P F Bloomer

(resigned 1 January 2002)

V Espinosa Kennedy

(appointed 1 January 2002)

AUDITORS

Ernst & Young LLP

100 Barbirolli Square

Manchester

M2 3EY

BANKERS

HSBC plc

64 Highgate

Kendal

LA9 4TQ

Citibank

PO Box 5870

Grand Central Station

NY NY 10163


REGISTERED OFFICE

23 Blades Court

Deodar Road

London

SW15 2NU

 **ERNST & YOUNG**

The Parthenon Publishing Group Limited

DIRECTORS' REPORT

The directors have pleasure in presenting their report, together with the financial statements, for the year ended 31 December 2001.

PRINCIPAL ACTIVITIES

The principal activity of the company throughout the year was that of a publisher.

REVIEW OF THE BUSINESS

The results for the financial year, the position of the Company and recommended transfer to reserves are as shown in the financial statements.

The results for the year are as expected.

On 15 May 2001 the whole of the Company's share capital was purchased by CRC Press, LLC. a company registered in the United States of America.

DIVIDEND

The directors recommend the payment of an interim dividend amounting to £14,356 (2000: £40,000).

DIRECTORS

The directors of the company at 31 December 2001 are shown on page 2. Their interests in the issued share capital were as follows:

	<i>Number of £1 ordinary shares</i>	
	<i>2001</i>	<i>2000</i>
D G T Bloomer	-	50

Mrs P F Bloomer resigned as a director on 15 May 2001. N Sensil served as a director from 15 May 2001 to 31 July 2001.


AUDITORS

A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

By order of the Board

Secretary

Date:


23-1-03

The Parthenon Publishing Group Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 year. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They 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.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE PARTHENON PUBLISHING GROUP LIMITED**

We have audited the company's financial statements for the year ended 31 December 2001, which comprise Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, and the related notes 1 to 19. These financial statements have been prepared on the basis of the accounting policies set out therein.

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 United Kingdom law and accounting standards.

This report has been prepared for the members of the company pursuant to Section 235 of the Companies Act 1985 (the "Act") and for no other purpose.

No person is entitled to rely on this report unless such person:

- i) is a person who is entitled to rely on this report by virtue of and for the purposes of the Act; or
- ii) has been expressly authorised to do so by our prior written consent

Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 affairs of the company as at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP
Ernst & Young LLP
Registered Auditor
Manchester

Date: 29.1.2003

The Parthenon Publishing Group Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2001

	Notes	2001 £	2000 £
TURNOVER	2	3,861,253	3,664,401
Cost of sales		(1,693,460)	(1,823,721)
GROSS PROFIT		2,167,793	1,840,680
Administrative expenses		(2,002,440)	(1,528,339)
OPERATING PROFIT	3	165,353	312,341
Gain on the sale of property	4	241,427	-
Interest receivable and similar income		252	158
Interest payable and similar charges	5	(36,274)	(56,599)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		370,758	255,900
Taxation	6	(186,650)	(73,993)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		184,108	181,907
Interim ordinary dividend paid on equity shares		(14,356)	(40,000)
		169,752	141,907
PROFIT AND LOSS ACCOUNT			
Balance brought forward		543,420	401,513
Balance carried forward		713,172	543,420

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 December 2001

There are no recognised gains and losses except as reported above.

The Parthenon Publishing Group Limited

BALANCE SHEET at 31 December 2001

	Notes	2001 £	2000 £
FIXED ASSETS			
Tangible assets	8	264,786	359,186
Shares in subsidiaries	9	3,657	3,657
		<u>268,443</u>	<u>362,843</u>
CURRENT ASSETS			
Stocks	10	314,917	298,071
Debtors	11	1,537,736	1,031,635
Cash at bank and in hand		119,580	281,540
		<u>1,972,233</u>	<u>1,611,246</u>
CREDITORS: amounts falling due within one year	12	<u>(1,518,106)</u>	<u>(935,672)</u>
NET CURRENT ASSETS		<u>454,127</u>	<u>675,574</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>722,570</u>	<u>1,038,417</u>
CREDITORS: amounts falling due after more than one year	12	<u>(9,298)</u>	<u>(494,897)</u>
		<u>713,272</u>	<u>543,520</u>
CAPITAL AND RESERVES			
Called up share capital	14	100	100
Profit and loss account		713,172	543,420
EQUITY SHAREHOLDERS' FUNDS	15	<u>713,272</u>	<u>543,520</u>

Approved on behalf of the Board by



D G T Bloomer
Director

Date: 23.1.2003

The Parthenon Publishing Group Limited

NOTES TO THE ACCOUNTS

for the year ended 31 December 2001

1. ACCOUNTING POLICIES

The following accounting policies have been 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.

Cash flow statement

The company is a wholly owned subsidiary of Information Holdings Inc., which prepares accounts including a group cash flow statement in accordance with FRS1 (Revised) and as such the company is exempt from the preparation of a cash flow statement.

Depreciation

Depreciation on fixed assets is provided at rates estimated to write off the cost, less residual value, of each asset over its expected useful life, as follows:-

Furniture & equipment	- over 5 years
Motor vehicles	- over 5 years

Leasehold property is depreciated over the term of the lease.

The company changed its depreciation policy during the year in order to bring it into line with group policy.

Stock

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. Cost includes all direct costs incurred in bringing the stocks to their present location and conditions. Costs incurred prior to publication of books are capitalised as work in progress and are expensed upon the release of the book.

Deferred taxation

Deferred taxation is accounted for under the liability method in respect of all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

Leasing and hire purchase obligations

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

Pension costs

The Company operated a defined contribution pension scheme for its directors. The Company's pension contributions are expensed in order to allocate the cost of providing the pensions over the working lives of the directors.

Foreign currencies

Transactions denominated in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated into Sterling at rates of exchange ruling at the end of the financial year. All exchange differences are dealt with in the profit and loss account.

The Parthenon Publishing Group Limited

NOTES TO THE ACCOUNTS for the year ended 31 December 2001

2. TURNOVER

Turnover represents the invoiced value, exclusive of VAT, of sales arising from the company's continuing operations. Its geographical distribution is as follows:

	2001	2000
	£	£
United Kingdom	286,783	460,232
Rest of Europe	2,033,080	2,418,955
America	1,398,770	650,292
Other	142,620	134,922
	<u>3,861,253</u>	<u>3,664,401</u>

3. OPERATING PROFIT

This is shown after charging:

	2001	2000
	£	£
Depreciation – assets held under hire purchase contracts	7,838	6,891
Depreciation – owned assets	34,902	32,736
Auditors' remuneration	15,000	15,000
Operating lease rentals – plant and machinery	19,273	5,710
Operating lease rentals – land and building	109,060	-
Loss of the sale of fixed assets	18,428	-
Write off of furniture and equipment (i)	17,166	-
	<u>221,667</u>	<u>59,337</u>

(i) The company has written down the carrying value of certain of its furniture and equipment to nil following its acquisition by CRC Press LLC.

4. EXCEPTIONAL ITEMS

	2001	2000
	£	£
Gain on the sale of property	241,427	-
	<u>241,427</u>	<u>-</u>

The Company sold two properties to D G T Bloomer, a director, at a sales price of £500,000 and the company recorded a gain of £241,427. The consideration was based on an independent valuation.

5. INTEREST PAYABLE

	2001	2000
	£	£
Bank interest	31,691	9,122
Hire purchase interest	4,583	1,939
Loan interest	-	45,538
	<u>36,274</u>	<u>56,599</u>

The Parthenon Publishing Group Limited

NOTES TO THE ACCOUNTS for the year ended 31 December 2001

6. TAXATION

	2001 £	2000 £
Corporation tax on the profit for the year	186,650	73,100
Adjustments in respect of earlier years	-	893
	<u>186,650</u>	<u>73,993</u>

The taxation charge for the prior year has been affected by the disallowance of certain expenditures.

7. DIRECTORS AND EMPLOYEES

Staff costs were as follows:

	2001 £	2000 £
Wages and salaries	809,223	694,068
Social security	139,055	82,433
Pension contributions	65,376	118,834
	<u>1,013,654</u>	<u>895,335</u>

The monthly average number of employees of the of the company during the year, including directors was:

	No	No
Administrative	9	9
Editorial	15	14
Production	15	13
Marketing	1	1
	<u>40</u>	<u>37</u>
Directors Emoluments including Pension Contributions	<u>113,209</u>	<u>148,123</u>

The Parthenon Publishing Group Limited

NOTES TO THE ACCOUNTS for the year ended 31 December 2001

8. TANGIBLE FIXED ASSETS

	<i>Land and buildings</i>	<i>Furniture & equipment</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£	£
Cost				
At 1 st January 2001	300,086	197,146	76,027	573,259
Additions	47,540	165,068	32,835	245,443
Disposals	(300,086)	-	(65,000)	(365,086)
Write off of furniture and equipment	-	(56,450)	-	(56,450)
At 31 st December 2001	47,540	305,764	43,862	397,166
Depreciation				
At 1 st January 2001	41,513	123,449	49,111	214,073
Charge for the year	1,678	33,224	7,838	42,740
Disposals	(41,513)	-	(43,637)	(85,150)
Write off of furniture and equipment	-	(39,283)	-	(39,283)
At 31 st December 2001	1,678	117,390	13,312	132,380
Net Book value				
At 31 st December 2001	45,862	188,374	30,550	264,786
At 1 st January 2001	258,573	73,697	26,916	359,186

The net book of motor vehicles above includes an amount of £29,760 (2000: £20,671) in respect of assets held under finance leases and hire purchase contracts.

At 31 December 2001 land and building reflects leasehold assets only.

9. SHARES IN SUBSIDIARIES

This represents the cost of the whole of the issued share capital of the following:

Parthenon Conference Services Limited	Dormant
The Parthenon Press international Limited	Dormant
The Parthenon Publishing Group Inc (incorporated in U.S.A)	Trading - Publishing

Consolidated financial statements have not been prepared as the group qualifies as a small group under section 247 of the Companies Act.

10. STOCK

	2001	2000
	£	£
Finished stock	213,665	113,801
Costs incurred on unpublished books	101,252	184,270
	314,917	298,071

The Parthenon Publishing Group Limited

NOTES TO THE ACCOUNTS for the year ended 31 December 2001

11. DEBTORS

	2001 £	2000 £
Trade debtors	1,166,432	614,328
Amounts owed by group companies	249,543	372,711
Other debtors – VAT	69,306	35,221
Prepayments	52,455	9,375
	<u>1,537,736</u>	<u>1,031,635</u>

12. CREDITORS

	2001 £	2000 £
Amounts falling due within one year		
Trade creditors	382,924	432,721
Accruals and advance payments	376,244	355,069
Other taxes and social security	-	38,114
Hire purchase obligations	11,440	8,917
Directors' current account	-	172
Corporation tax	185,779	73,701
Bank loan	-	26,978
Amounts due to group companies	561,719	-
	<u>1,518,106</u>	<u>935,672</u>

The Bank Loan was secured by a Debenture Charge issued in favour of Midland Bank plc, and by a legal mortgage over 1 of the Company's properties. This loan was repaid in full during 2001.

The Parthenon Publishing Group Limited

NOTES TO THE ACCOUNTS for the year ended 31 December 2001

12. CREDITORS (continued)

Amounts falling due after more than one year:

	2001 £	2000 £
Falling due within 5 years		
Bank loan	-	27,500
Hire purchase obligations (see note 16)	9,298	4,458
Loans from pension funds	-	455,000
	<u>9,298</u>	<u>486,958</u>
Falling due after more than 5 years:		
Bank loan	-	7,939
	<u>-</u>	<u>7,939</u>

13. PROVISIONS FOR LIABILITIES AND CHARGES

The deferred tax asset, which is not provided in the accounts is as follows:

	2001 £	2000 £
Accelerated capital allowances	4,325	(697)
Other short term differences	(19,200)	-
	<u>(14,875)</u>	<u>(697)</u>

14. SHARE CAPITAL

	2001 £	2000 £
Authorised:		
100 Ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

The Parthenon Publishing Group Limited

NOTES TO THE ACCOUNTS

for the year ended 31 December 2001

15. RECONCILIATION OF MOVEMENT ON SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit for the year	169,752	141,907
Opening shareholders' funds	543,520	401,613
Closing shareholders' funds	<u>713,272</u>	<u>543,520</u>

16. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

The maturity of these amounts is as follows:

	2001 £	2000 £
Amounts repayable:		
Within one year	11,440	8,917
Between two and five years	9,298	4,458
	<u>20,738</u>	<u>13,375</u>

The hire purchase obligations are secured upon the assets to which they relate.

17. OTHER FINANCIAL COMMITMENTS

At 31 December 2001 the company had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>		<i>Other</i>	
	2001 £	2000 £	2001 £	2000 £
Operating leases which expire:				
Within one year	-	-	-	-
In two to five years	6,679	-	-	-
In over five years	203,717	-	-	-
	<u>210,396</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Parthenon Publishing Group Limited

NOTES TO THE ACCOUNTS

for the year ended 31 December 2001

18. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is CRC Press, LLC, a company registered in the United States of America.

In the directors' opinion, the company's ultimate parent undertaking and controlling party is Information Holdings Inc. a company registered in the United States of America. Copies of its group accounts, which include the company, are available from Information Holdings Inc. 2777 Summer, Suite 209, Stamford, Connecticut, USA 06905.

19. RELATED PARTY TRANSACTIONS

The company has taken the exemption available under FRS8, not to disclose related party transactions with other companies within the group.