

Company Registration No. 2615294

UCL Press Limited

Report and Financial Statements

31 December 2002



REPORT AND FINANCIAL STATEMENTS 2002

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REPORT AND FINANCIAL STATEMENTS 2002

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D Smith
A M Foye
R G Horton
J S Thomasson
J Conibear

SECRETARY

J S Thomasson

REGISTERED OFFICE

11 New Fetter Lane
London
EC4P 4EE

PRINCIPAL BANKERS

The Royal Bank of Scotland
3rd Floor
Waterhouse Square
138-142 Holborn
London
EC1N 2TH

PRINCIPAL SOLICITORS

Ashurst Morris Crisp
Broadwalk House
5 Appold Street
London
EC2A 2HA

AUDITORS

Deloitte & Touche
Chartered Accountants
Reading

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 December 2002.

ACTIVITIES

The Company's principal activity is the publishing of books.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The results of the Company are set out in the profit and loss account on page 5.

The Directors consider the Company's future prospects to be reasonable.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2002 (*2001: nil*).

DIRECTORS AND THEIR INTERESTS

The Directors who held office during the year were as follows:

D Smith	(appointed 8 April 2002)
A R Selvey	(resigned 6 April 2002)
A M Foye	
R G Horton	
J Conibear	(appointed 8 April 2002)
J S Thomasson	

None of the Directors who held office at the end of the year had any beneficial interests in the shares of the Company.

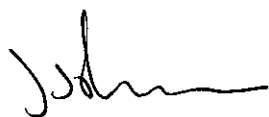
Mr J S Thomasson had a beneficial interest in nil ordinary shares and options over 27,407 ordinary shares in the ultimate parent company, Taylor & Francis Group plc, as at 31 December 2002 (*2001: 550 ordinary shares and options over 44,740 ordinary shares*). 13,732 options were granted to Mr Thomasson during the year and 31,065 options were exercised.

The interests of the other Directors in the shares of Taylor & Francis Group plc are shown in the accounts of that company.

AUDITORS

Deloitte & Touche will transfer their entire business to Deloitte & Touche LLP, a limited liability partnership formed pursuant to the Limited Liability Partnership Act 2000. The Company has given its consent to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP. Accordingly, although the accounts were signed in the name of Deloitte & Touche, 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



J S Thomasson
Secretary

1 JULY

2003

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period. In preparing those financial statements, 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 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 which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, 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 UCL PRESS LIMITED

We have audited the financial statements of UCL Press Ltd. for the year ended 31 December 2002 which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. 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 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

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. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

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 the company's affairs as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



DELOITTE & TOUCHE
Chartered Accountants and Registered Auditors

Reading

1 July 2003

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2002

	Note	2002 £'000	2001 £'000
TURNOVER	2	378	566
Net operating costs	4	(260)	(401)
OPERATING PROFIT		<u>118</u>	<u>165</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		118	165
Tax on profit on ordinary activities	5	-	-
PROFIT FOR THE FINANCIAL YEAR TRANSFERRED TO RESERVES	11	<u>118</u>	<u>165</u>
Retained deficit brought forward		(433)	(598)
RETAINED DEFICIT CARRIED FORWARD		<u>(315)</u>	<u>(433)</u>

All results derive from continuing operations.

There have been no recognised gains and losses attributable to the shareholders other than the profit for the current and preceding financial year and accordingly, no statement of total recognised gains and losses is shown.

BALANCE SHEET
31 December 2002

	Note	2002 £'000	2001 £'000
CURRENT ASSETS			
Stocks	6	111	185
Debtors	7	1,876	1,580
		<u>1,987</u>	<u>1,765</u>
CREDITORS: amounts falling due within one year	8	(847)	(743)
NET CURRENT ASSETS		<u>1,140</u>	<u>1,022</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,140	1,022
CREDITORS: amounts falling due after more than one year	9	(490)	(490)
		<u>650</u>	<u>532</u>
CAPITAL AND RESERVES			
Called up share capital	10	649	649
Share premium account		316	316
Profit and loss account		(315)	(433)
TOTAL EQUITY SHAREHOLDER'S FUNDS	11	<u>650</u>	<u>532</u>

These financial statements were approved by the Board of Directors on 1 July 2003.

Signed on behalf of the Board of Directors



A M Foye

Director

NOTES TO THE ACCOUNTS **Year ended 31 December 2002**

1. ACCOUNTING POLICIES

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

Basis of preparation

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

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes materials and direct labour appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

Financial Reporting Standard 1 – Cashflow Statement

The Company is exempt from the requirement to prepare a cashflow statement since it is included in the results of Taylor & Francis Group plc.

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.

Taxation

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.

2. TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the Company's ordinary activities after deduction of trade discounts and Value Added Tax. The turnover and pre-tax profit, all of which arise in the United Kingdom, are attributable to one activity, publishing.

	2002 £'000	2001 £'000
Geographical analysis of turnover by destination		
United Kingdom	220	227
Rest of the world	158	339
	<u>378</u>	<u>566</u>

NOTES TO THE ACCOUNTS

Year ended 31 December 2002

3. DIRECTORS' REMUNERATION

The Directors received no remuneration in respect of their services to the Company during the current or preceding year. Four directors (D Smith, AM Foye, RG Horton and J Conibear) are executives of the holding company, Taylor & Francis Group plc, and are also directors of all UK and US operating companies in the group. In addition one further director (JS Thomasson) is also remunerated by Taylor & Francis Group plc and is a director of all UK operating companies in the group. These five directors received total emoluments of £943,865 from Taylor & Francis Group plc during the year, but it is not practicable to allocate this between their services as executives of Taylor & Francis Group plc and their services as directors of the UK and US operating companies. In addition, four of the directors (AM Foye, RG Horton, J Conibear and JS Thomasson) are each accruing benefits under the Taylor & Francis Group plc group pension scheme, which is a defined benefit scheme, in respect of their services to the four group companies.

Two directors (2001: four) exercised share options on the ordinary shares of the ultimate parent company, Taylor & Francis Group plc, during the year.

4. NET OPERATING COSTS

	2002 £'000	2001 £'000
Decrease in stocks	74	105
Raw materials and consumables	100	137
Other operating charges	86	159
	<u>260</u>	<u>401</u>

Staff costs and auditors' remuneration have been borne by other group companies in the current and preceding year.

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

Reconciliation to current tax charge:

	2002 %	2001 %
Standard rate of tax	30	30
Effects of:		
Utilisation of tax losses	(30)	(30)
	<u>-</u>	<u>-</u>

A deferred tax asset of £63,000 has not been recognised as there is insufficient evidence that the asset will be recovered.

The company has adopted FRS 19 during the year. This adoption has not had an impact on the profit and loss account or balance sheet.

NOTES TO THE ACCOUNTS
Year ended 31 December 2002

6. STOCKS

	2002 £'000	2001 £'000
Finished goods and goods for resale	111	185

7. DEBTORS

	2002 £'000	2001 £'000
Amounts owed by group undertakings	1,876	1,580

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £'000	2001 £'000
Amounts owed to group undertakings	829	735
Accruals and deferred income	18	8
	847	743

9. CREDITORS: AMOUNTS FALLING AFTER MORE THAN ONE YEAR

	2002 £'000	2001 £'000
Due between two and five years:		
Amounts owed to group undertakings	490	490

There is no fixed date for the repayment of the amounts owed to Taylor & Francis Limited. However, Taylor & Francis Limited has confirmed that the loan will not be repayable for at least one year from the balance sheet date. No interest is charged on the loan.

NOTES TO THE ACCOUNTS
Year ended 31 December 2002

10. CALLED UP SHARE CAPITAL

	2002 £'000	2001 £'000
Authorised		
230,000 ordinary shares of £1 each	230	230
170,000 cumulative participating A ordinary shares of £1 each	170	170
475,000 cumulative participating B ordinary shares of £1 each	475	475
	<u>875</u>	<u>875</u>
Called up, allotted and fully paid		
142,000 ordinary shares of £1 each	142	142
131,535 cumulative participating A ordinary shares of £1 each	132	132
375,000 cumulative participating B ordinary shares of £1 each	375	375
	<u>649</u>	<u>649</u>

All of the above shares are equity shares as defined by Financial Reporting Standard 4 "Capital Instruments" and rank pari passu in respect of rights to returns of capital; however, there are differing rights to dividends which are set out below.

Dividends

For financial years ending after 30 June 1994 the holders of the A ordinary shares and the B ordinary shares are entitled to a cumulative cash participating dividend, which is calculated with reference to the Company's profits, in priority to any other class of share.

Following the payment of the "Participating Dividend" above the holders of the ordinary shares, provided the directors so resolve, are entitled in respect of financial years ending after 30 June 1994 to a dividend on each ordinary share equal to the amount of Participating Dividend paid in respect of each A ordinary share or B ordinary share provided that such an entitlement shall not be cumulative.

After all of the above dividends have been paid all shares rank pari passu in respect of any further dividend declared by the Company.

The holders of the cumulative participating A and B ordinary shares have waived their right to a dividend for the year.

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2002 £'000	2001 £'000
Profit for the financial year	118	165
Increase in shareholders' funds	<u>118</u>	<u>165</u>
Opening shareholders' funds	532	367
Closing shareholders' funds	<u>650</u>	<u>532</u>

12. ULTIMATE PARENT COMPANY

The ultimate parent company and controlling party is Taylor & Francis Group plc, a company incorporated in Great Britain. . This is also the parent undertaking of the largest and only group which includes the company and for which group accounts are prepared. The accounts of Taylor & Francis Group plc may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

NOTES TO THE ACCOUNTS
Year ended 31 December 2002

13. RELATED PARTY TRANSACTIONS

In accordance with Financial Reporting Standard No. 8 "Related Party Disclosures", transactions with other group undertakings within, and investee related parties of, Taylor & Francis Group plc have not been disclosed in these accounts.