

Isis Publishing Limited
Report and Financial Statements
Year ended 31 October 2002
Company Number: 2723226



Blueprint Audit Limited
Chartered Accountants and Registered Auditor

ISIS PUBLISHING LIMITED

Annual report and financial statements for the year ended 31 October 2002

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Directors

D F Thorpe
R W Thirlby
P M Henderson
J Durrant

Secretary and registered office

P M Henderson, Isis House, Kings Drive, Whitley Bay, Tyne and Wear, NE26 2JT

Company number

2723226

Auditor

Blueprint Audit Limited, Eastgate House, Humberstone Road, Leicester, LE5 3GJ

Accountants and business advisers

Tenon Limited, Eastgate House, Humberstone Road, Leicester, LE5 3GJ

ISIS PUBLISHING LIMITED

Report of the directors for the year ended 31 October 2002

The directors present their report together with the audited financial statements for the year ended 31 October 2002.

Results and dividends

The profit and loss account is set out on page 4 and shows the result for the year.

The directors recommend a final dividend of £8,958 (2001: £45,000).

Principal activities, trading review and future developments

The principal activity of the company is that of publishing and selling books in any form, including large print and audio.

The directors are satisfied with the result for the year under review and are confident of future prospects.

Directors

The directors of the company serving during the year were:

D F Thorpe
R W Thirlby
P M Henderson
J Durrant

No director had any interest in the ordinary shares of the company, or the parent company.

EMU Impact

Having reviewed its commercial and accounting transactions, the company is managing the impact of the single currency.

ISIS PUBLISHING LIMITED

Report of the directors for the year ended 31 October 2002 (*continued*)

Directors' responsibilities

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 and of the profit or loss of the company for that year. 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;
- 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 enable them to ensure the financial statements 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.

Auditor

Blueprint Audit Limited have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board



P M Henderson
Secretary

1 April 2003

Independent auditor's report to the shareholders of Isis Publishing Limited

We have audited the financial statements of Isis Publishing Limited for the year ended 31 October 2002 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements 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 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 auditor

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 consider 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 October 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Blueprint Audit Limited
Chartered Accountants and Registered Auditor
Leicester

1 April 2003

ISIS PUBLISHING LIMITED

Profit and loss account for the year ended 31 October 2002

	Note	Twelve months 2002 £	Sixteen months 2001 £
Turnover		3,269,380	4,578,166
Cost of sales		2,349,694	2,953,201
Gross profit		919,686	1,624,965
Distribution costs		67,944	106,614
Administrative expenses		903,152	1,483,148
Other operating income		-	12,516
Operating profit	2	16,534	47,719
Interest receivable and similar income		12,067	4,125
Interest payable	3	3,922	7,349
Profit on ordinary activities before taxation		24,679	44,495
Taxation on profit on ordinary activities	5	6,764	9,634
Profit on ordinary activities after taxation		17,915	34,861
Dividend	6	8,958	45,000
Retained profit/(sustained loss) for the year/period	14	8,957	(10,139)

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 6 to 13 form part of these financial statements.

ISIS PUBLISHING LIMITED

Balance sheet at 31 October 2002

	Note	2002		2001	
		£	£	£	£
Fixed assets					
Tangible assets	7		96,073		132,057
Investments	8		550,401		550,401
			<u>646,474</u>		<u>682,458</u>
Current assets					
Stock and work in progress	9	392,448		316,360	
Debtors	10	445,280		487,447	
Cash at bank and in hand		272,244		259,913	
		<u>1,109,972</u>		<u>1,063,720</u>	
Creditors: amounts falling due within one year	11	<u>889,637</u>		<u>884,045</u>	
Net current assets			<u>220,335</u>		<u>179,675</u>
Total assets less current liabilities			<u>866,809</u>		<u>862,133</u>
Creditors: amounts falling due after more than one year	12		-		4,281
Net assets			<u>866,809</u>		<u>857,852</u>
Capital and reserves - equity					
Called up share capital	13		2,000		2,000
Profit and loss account	14		864,809		855,852
Shareholders' funds	15		<u>866,809</u>		<u>857,852</u>

The financial statements were approved by the Board on 1 April 2003.



R W Thirlby
Director

The notes on pages 6 to 13 form part of these financial statements.

ISIS PUBLISHING LIMITED

Notes forming part of the financial statements for the year ended 31 October 2002

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

The following principal accounting policies have been applied:

New accounting standard

FRS 19 "Deferred Taxation" has been adopted for the first time in these financial statements. The introduction of this standard has not resulted in any prior year adjustment.

Turnover

Turnover is wholly attributable to the principal activity of the company and represents sales to external customers at invoiced amounts less value added tax and trade discounts.

The directors consider that the disclosure of a geographical analysis of the company's turnover would be seriously prejudicial to the interests of the company and this information is therefore not provided within these financial statements.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

Leasehold land and buildings	-	over period of lease
Plant and machinery	-	20% straight line

Investments

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

Stock and work in progress

Stock is valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price, less any further costs of realisation.

Work in progress is valued on the basis of direct costs. Provision is made for any foreseeable losses where appropriate.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes in accordance with FRS 19.

ISIS PUBLISHING LIMITED

Notes forming part of the financial statements for the year ended 31 October 2002 (*continued*)

1 Accounting policies (*continued*)

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Any differences are taken to the profit and loss account.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account as incurred.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

2 Operating profit

	Twelve months 2002 £	Sixteen months 2001 £
This has been arrived at after charging/(crediting):		
Depreciation of tangible fixed assets:		
- on owned assets	44,382	68,874
- on assets held under finance lease contracts	15,548	33,423
Operating lease rentals		
- land and buildings	88,605	122,795
- other	3,226	7,059
Auditors' remuneration	5,775	10,997
Foreign exchange gain	(252)	(1,041)
Profit on disposal of tangible fixed assets	-	(8,741)

ISIS PUBLISHING LIMITED

Notes forming part of the financial statements for the year ended 31 October 2002 (continued)

3 Interest payable

	Twelve months 2002 £	Sixteen months 2001 £
Bank interest	-	1,385
Finance lease interest	3,922	5,964
	<u>3,922</u>	<u>7,349</u>

4 Employees and Directors

Staff costs comprise:

Directors emoluments	4,590	100,141
Wages and salaries	628,755	945,118
Social security costs	52,377	81,694
Other pension costs	13,560	10,403
	<u>699,282</u>	<u>1,137,356</u>

The average monthly number of employees, including directors, during the period was 41 (2001: 50).

No directors received contributions from the company to defined contribution pension schemes during the year (2001: none).

5 Taxation on profit on ordinary activities

	Twelve months 2002 £	Sixteen months 2001 £
Analysis of the charge for the year/period		
<i>Current taxation:</i>		
UK corporation tax	10,000	10,000
Adjustment in respect of prior years	(3,236)	(366)
	<u>6,764</u>	<u>9,634</u>

ISIS PUBLISHING LIMITEDNotes forming part of the financial statements for the year ended 31 October 2002 (*continued*)**5 Taxation on profit on ordinary activities (*continued*)****Factors affecting the tax the charge for the year/period**

The tax assessed for the year/period is different from the expected rate of corporation tax.
The differences are explained below:

	2002 £	2001 £
Profit on ordinary activities before taxation	24,679	44,495
Profit on ordinary activities multiplied by the expected rate of corporation tax of 30% (2001: 30%)	7,404	13,349
Effects of:-		
Expenses not deductible for tax purposes	76	1,367
Adjustment for marginal relief	(3,802)	-
Difference between depreciation and capital allowances	3,294	(1,009)
Other timing differences	3,028	(3,706)
	10,000	10,000
6 Dividend		
Dividend paid on ordinary shares	8,958	45,000

ISIS PUBLISHING LIMITED

Notes forming part of the financial statements for the year ended 31 October 2002 (*continued*)

7 Tangible fixed assets

	Leasehold land and buildings £	Plant and machinery £	Total £
<i>Cost</i>			
At 1 November 2001	42,538	518,301	560,839
Additions	-	23,946	23,946
At 31 October 2002	<u>42,538</u>	<u>542,247</u>	<u>584,785</u>
<i>Depreciation</i>			
At 1 November 2001	33,426	395,356	428,782
Provided for the period	5,364	54,566	59,930
At 31 October 2002	<u>38,790</u>	<u>449,922</u>	<u>488,712</u>
<i>Net book value</i>			
At 31 October 2002	<u>3,748</u>	<u>92,325</u>	<u>96,073</u>
At 31 October 2001	<u>9,112</u>	<u>122,945</u>	<u>132,057</u>

The net book value of tangible fixed assets includes an amount of £15,452 (2001: £27,555) in respect of assets held under finance leases.

8 Investments

Investments in subsidiary undertakings

	£
<i>At 1 November 2001 and 31 October 2002:</i>	
Cost	560,979
Amounts provided	(10,578)
Net book value	<u>550,401</u>

The company holds 100% of the ordinary shares in two dormant subsidiary companies; Soundings Limited and Essell Duplicating Services Limited. Both companies are registered in England and Wales

9 Stock and work in progress

	2002 £	2001 £
Stock and work in progress	<u>392,448</u>	<u>316,360</u>

ISIS PUBLISHING LIMITED**Notes forming part of the financial statements for the year ended 31 October 2002 (continued)****10 Debtors**

	2002	2001
	£	£
Trade debtors	153,149	259,718
Amounts owed by group undertakings	61,973	80,853
Prepayments	230,158	146,876
	<u>445,280</u>	<u>487,447</u>

All amounts shown under debtors fall due for payment within one year.

11 Creditors: amounts falling due within one year

Trade creditors	192,440	171,865
Amounts owed to group undertakings	554,196	505,162
Obligations under finance leases	5,125	12,233
Corporation tax	10,000	10,000
Other taxes and social security	17,092	44,370
Accruals and deferred income	101,826	140,415
Proposed dividend	8,958	-
	<u>889,637</u>	<u>884,045</u>

12 Creditors: amounts falling due after more than one year

Obligations under finance leases	-	4,281
	<u>-</u>	<u>4,281</u>

Obligations under finance lease contracts are secured on the assets concerned and are due as follows:

	2002	2001
	£	£
Within one year	5,125	12,233
Between one and two years	-	4,281
	<u>5,125</u>	<u>16,514</u>

ISIS PUBLISHING LIMITED

Notes forming part of the financial statements for the year ended 31 October 2002 (*continued*)

13 Called up share capital

	Authorised		Allotted, called up and fully paid	
	2002	2001	2002	2001
	£	£	£	£
Ordinary shares of £1 each	500,000	500,000	2,000	2,000

14 Profit and loss account

	£
At 1 November 2001	855,852
Profit for the year	8,957
At 31 October 2002	864,809

15 Reconciliation of movements in shareholders' funds

	2002	2001
	£	£
Profit on ordinary activities after taxation	17,915	34,861
Dividend	(8,958)	(45,000)
Net movement in shareholders' funds	8,957	(10,139)
Opening shareholders' funds	857,852	867,991
Closing shareholders' funds	866,809	857,852

16 Commitments under operating leases

At 31 October the company has annual commitments under non-cancellable operating leases as set out below:

	Land and buildings	Other	Land and buildings	Other
	2002	2002	2001	2001
	£	£	£	£
Operating leases which expire:				
Within one year	19,300	-	-	187
In two to five years	-	2,938	13,000	3,444
After five years	69,305	-	75,200	-
	88,605	2,938	88,200	3,631

ISIS PUBLISHING LIMITED

Notes forming part of the financial statements for the year ended 31 October 2002 (*continued*)

17 Contingent liabilities

The company has given an unlimited guarantee in favour of fellow UK group companies, in respect of bank overdraft facilities and loans. At 31 October 2002 the net indebtedness under these facilities amounted to £2,141,298 (2001: £1,411,686).

18 Pensions

The company operates a defined contribution scheme in respect of its employees. Contributions are charged to the profit and loss account as incurred. There were outstanding contributions of £9 as at the balance sheet date (2001: £Nil). Pension costs charged in the year were £13,560 (2001: £10,403).

19 Ultimate controlling body

At 31 October 2002 the company's ultimate controlling body was the Ulverscroft Foundation, a registered charity, which is the controlling body of both the smallest and largest groups of which the company is a member. The Ulverscroft foundation prepares consolidated financial statements which are publicly available.

20 Related party transactions

The company has granted a long leasehold out of its freehold interest in a property to a pension plan, the sole beneficiary of which is J Durrant, a director of the company. The pension plan leased the property back to the company over a period of twenty five years at an annual rate of £18,000.

Transactions between group companies have not been disclosed as the company has taken advantage of the exemption conferred by FRS 8 on the basis that the company is a wholly owned subsidiary of a body which prepares consolidated financial statements, which are publicly available.