

Free Association Books Limited

Registration Number: 2768277

Director's Report and Financial Statements

for the year ended 30 June 2004



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Free Association Books Limited

Company Information

Director	Mr T E Brown
Secretary	Mrs E A Brown
Company Number	2768277
Registered Office	28 Church Road Stanmore Middlesex HA7 4XR

Free Association Books Limited

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Free Association Books Limited

**Director's Report
for the year ended 30 June 2004**

The director presents his report and the financial statements for the year ended 30 June 2004.

Principal Activity

The company's principal activity continues to be that of publishing.

Director and his Interest

The director who served during the year and his interest in the company are as stated below:

	Ordinary A shares		Ordinary B shares	
	30 June 2004	1 July 2003	30 June 2004	1 July 2003
Mr T E Brown	1,500	1,500	556,700	556,700

Director's Responsibilities

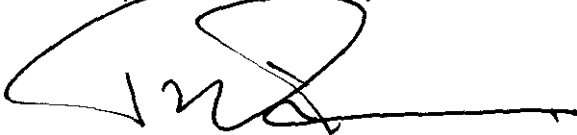
Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the director is required to:

- select suitable accounting policies and 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 6 April 2005 and signed on its behalf by:



Mr T E Brown
Director

Free Association Books Limited

**Profit and Loss Account
for the year ended 30 June 2004**

		2004	2003
	Notes	£	£
Turnover	2	171,984	184,043
Cost of sales		(105,618)	(149,178)
Gross profit		<u>66,366</u>	<u>34,865</u>
Administrative expenses		(103,527)	(61,814)
Other operating income		9,753	46,062
Operating (loss)/profit	3	<u>(27,408)</u>	<u>19,113</u>
Investment income	4	13,370	4,000
Interest receivable and similar income		483	704
(Loss)/profit on ordinary activities before taxation		<u>(13,555)</u>	<u>23,817</u>
Tax on (loss)/profit on ordinary activities	5	1,651	(1,651)
(Loss)/retained profit for the year		<u>(11,904)</u>	<u>22,166</u>
Accumulated (loss) brought forward		(276,170)	(298,336)
Accumulated (loss) carried forward		<u><u>(288,074)</u></u>	<u><u>(276,170)</u></u>

The notes on pages 5 to 8 form an integral part of these financial statements.

Free Association Books Limited

**Balance Sheet
as at 30 June 2004**

		2004		2003	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	7		5,682		10,313
Current Assets					
Stocks		31,164		40,354	
Debtors	8	66,840		54,953	
Investments	9	209,834		193,649	
Cash at bank and in hand		13,725		38,614	
		<u>321,563</u>		<u>327,570</u>	
Creditors: amounts falling due within one year	10	<u>(37,419)</u>		<u>(36,153)</u>	
Net Current Assets			284,144		291,417
Total Assets Less Current Liabilities			<u>289,826</u>		<u>301,730</u>
Capital and Reserves					
Called up share capital	11		558,200		558,200
Share premium account	12		19,700		19,700
Profit and loss account	12		(288,074)		(276,170)
Shareholders' Funds			<u>289,826</u>		<u>301,730</u>

The director's statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 5 to 8 form an integral part of these financial statements.

Free Association Books Limited

Balance Sheet (continued)

**Director's statements required by Section 249B(4)
for the year ended 30 June 2004**

In approving these financial statements as director of the company I hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985;

(b) members have not required the company, under Section 249B(2) of the Companies Act 1985, to obtain an audit for the year ended 30 June 2004 and


(c) that I acknowledge my responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing financial statements 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 its profit or loss for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 6 April 2005 and signed on its behalf by

A handwritten signature in black ink, appearing to be 'T E Brown', written over a large, stylized, looped flourish.

Mr T E Brown
Director

The notes on pages 5 to 8 form an integral part of these financial statements.

Free Association Books Limited

Notes to the Financial Statements for the year ended 30 June 2004

1. Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

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

Fixtures, fittings
and equipment - 20 - 33.33% per annum on cost

1.4. Investments

Current asset investments are at the lower of cost and net realisable value.

1.5. Stock

Stock is valued at the lower of cost and net realisable value.

1.6. Deferred taxation

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred taxation is measured on a non-discounted basis at the average tax rates that would apply when the timing differences are expected to reverse, based on tax rates and laws that have been enacted by the balance sheet date.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating (loss)/profit

	2004 £	2003 £
Operating (loss)/profit is stated after charging:		
Depreciation of tangible assets	6,023	6,278

Free Association Books Limited

Notes to the Financial Statements
for the year ended 30 June 2004

4.	Income from investments	2004	2003
		£	£
	Income from investments	13,370	4,000
		<u> </u>	<u> </u>
5.	Taxation	2004	2003
		£	£
	UK current year taxation		
	UK Corporation Tax at 19%	(1,651)	1,651
		<u> </u>	<u> </u>
6.	Intangible fixed assets	Goodwill	Total
		£	£
	Cost		
	At 1 July 2003		
	At 30 June 2004	8,450	8,450
		<u> </u>	<u> </u>
	Provision for diminution in value		
	At 1 July 2003		
	At 30 June 2004	8,450	8,450
		<u> </u>	<u> </u>

Free Association Books Limited

**Notes to the Financial Statements
for the year ended 30 June 2004**

7. Tangible fixed assets

	Plant & machinery £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 July 2003	8,450	44,952	53,402
Additions	-	1,391	1,391
	<hr/>	<hr/>	<hr/>
At 30 June 2004	8,450	46,343	54,793
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 July 2003	8,450	34,638	43,088
Charge for the year	-	6,023	6,023
	<hr/>	<hr/>	<hr/>
At 30 June 2004	8,450	40,661	49,111
	<hr/>	<hr/>	<hr/>
Net book values			
At 30 June 2004	-	5,682	5,682
	<hr/>	<hr/>	<hr/>
At 30 June 2003	-	10,314	10,314
	<hr/>	<hr/>	<hr/>

8. Debtors

	2004 £	2003 £
Trade debtors	56,311	49,374
Other debtors	1,651	-
Prepayments and accrued income	8,878	5,579
	<hr/>	<hr/>
	66,840	54,953
	<hr/>	<hr/>

9. Current asset investments

	2004 £	2003 £
Listed investments	209,834	193,649
	<hr/>	<hr/>

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**Notes to the Financial Statements
for the year ended 30 June 2004**

10.	Creditors: amounts falling due within one year	2004 £	2003 £	
	Trade creditors	17,479	4,818	
	Corporation tax	-	1,651	
	Other taxes and social security costs	1,165	1,577	
	Director's loan accounts	6,448	9,699	
	Accruals and deferred income	12,327	18,408	
		<u>37,419</u>	<u>36,153</u>	
11.	Share capital	2004 £	2003 £	
	Authorised			
	10,000 Ordinary A shares of £1 each	10,000	10,000	
	1,000,000 Ordinary B shares of £1 each	1,000,000	1,000,000	
		<u>1,010,000</u>	<u>1,010,000</u>	
	Allotted, called up and fully paid			
	1,500 Ordinary A shares of £1 each	1,500	1,500	
	556,700 Ordinary B shares of £1 each	556,700	556,700	
		<u>558,200</u>	<u>558,200</u>	
12.	Reserves	Share premium account £	Profit and loss account £	Total £
	At 1 July 2003	19,700	(276,170)	(256,470)
	(Loss)/retained profit for the year		(11,904)	(11,904)
	At 30 June 2004	<u>19,700</u>	<u>(288,074)</u>	<u>(268,374)</u>
13.	Ultimate controller			

The company is controlled by Mr T E Brown who owns 100% of the company's issued share capital.