Company registration number 2055748

BAKER & TAYLOR (UK) LTD

Annual report and financial statements

for the year ended 27 June 2014

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Annual reports and financial statements for the year ended 27 June 2014

Contents

Officers and professional advisers

DIRECTORS

A Burgess
G Powell
D White
S Biltcliffe

SECRETARY

G Powell

REGISTERED OFFICE

Bicester Park
Charbridge Way
Bicester
Oxfordshire
OX26 4ST

BANKERS

NatWest Bank Plc
Norwich City Office
45 London Street
Norwich
NR2 1HX

SOLICITORS

Kimbells LLP
Power House
Davy Avenue
Knowhill
Milton Keynes
MK5 8RR

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
One Reading Central,
23 Forbury Road,
Reading,
RG1 3JH

Directors' report
for the year ended 27 June 2014

The directors present their annual report and the audited financial statements of the company for the year ended 27 June 2014.

POSITION OF THE BUSINESS

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate.

The company is a wholly owned subsidiary of Advanced Marketing (Europe) Limited.

FUTURE DEVELOPMENTS

The company has taken actions to increase revenue in 2015 after the decline in 2014 and intends to preserve or increase its market share in all areas where it has an established presence by continuing to maintain strong relationships with customers and by enhancing its added value services.

RESULTS AND DIVIDENDS

The profit for the year after tax is £88k (2013: £768k). The profit and loss account is on page 7. The directors do not recommend the payment of any dividend (year ended 28 June 2013: £nil).

DIRECTORS

The directors of the company during the year, and up to the date of signing of the financial statements are set out as follows:

D White
G Powell
D Jennings (resigned 13 June 2014)
J Leonard (resigned 13 March 2015)
M Wight (resigned 13 March 2015)
A Burgess (appointed 1 July 2013)
S Biltcliffe (appointed 2 March 2015)

COMPANY SECRETARY

The company secretary during the year, and up to the date of signing of the financial statements are set out as follows:

D Jennings (resigned 14 March 2014)
G Hamilton (appointed 14 March 2014, resigned 14 November 2014)
G Powell (appointed 14 November 2014)

DIRECTORS' INDEMNITIES

The company maintains liability insurance for its directors and officers. Following shareholder approval the company has also provided an indemnity for its directors and the secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. This indemnity was in force throughout the year and at the date of approval of the financial statements.

FINANCIAL RISK MANAGEMENT

The company's operations expose it to a variety of cash flow financial risks that include the effects of changes in credit risk, liquidity risk, foreign exchange risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects of these risks on the performance of the company. The company maintains a significant positive bank balance which together with the contracts it holds with a number of customers and suppliers substantially reduces liquidity risk.

To manage credit risk the company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit which is reassessed regularly.

Directors' report for the year ended 27 June 2014

FINANCIAL RISK MANAGEMENT continued

The company has interest bearing assets comprising cash balances earning interest at variable rates. There are no interest bearing liabilities. In addition, a small proportion of both trade debtors and trade creditors are denominated in foreign currency. The company monitors the exposure to foreign exchange risk and uses hedging instruments on an adhoc basis. The Directors consider that neither interest rate nor foreign exchange risk is material and neither is likely to become so in the foreseeable future.

STATEMENT OF DIRECTORS' REPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the date of approval of this report confirm that so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and the directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office and in accordance with s487(2) of the Companies Act 2006 the auditors are deemed to be re-appointed for the next financial year.

Approved by the board of directors and signed on behalf of the board

G Powell

Director
26 March 2015

Strategic report
for the year ended 27 June 2014

The directors present their strategic report on the company for the year ended 27 June 2014.

Principal activities

The company's principal activity is the wholesale distribution of general interest books and related products to membership warehouse clubs and speciality retailers. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

Review of the business

The Directors' monitor performance and future prospects are included in the Directors' Report.

The directors are taking actions in 2015 to improve the performance of the company from this year. Turnover was down 8% at £25.7m (2013: £28m) due to the reduction in orders from a major customer and this resulted in a lower operating profit of £103k (2013: £909k profit).

Position of the business

The company's profit after tax for the financial year was £88k (2013: £768k). The financial statements have been prepared on the going concern basis, which the directors believe to be appropriate as explained in the Directors' Report.

Key Performance Indicators

Turnover, gross profit, costs, EBITDA and the return on capital employed are the financial key performance indicators used by the directors to monitor the performance of the business.

Principal risks and uncertainties

The principal risks and uncertainties facing the company surround economic factors and social trends that may affect the wholesale distribution of books, and ultimately the level of net income generated.

Competitive pressure in the United Kingdom is a continuing risk. The company manages this risk by providing added value services to its customers, having fast response times not only in supplying products but in handling all customer queries, and by maintaining strong relationships with customers and suppliers.

The company's principal assets are stocks and trade debtors. Stocks are shown net of adequate provision.

The costs and finances of the business are actively managed accordingly. The directors regularly review these risks and take mitigating actions when appropriate.

On behalf of the Board

G Powell

Independent auditors' report to the members of Baker & Taylor (UK) LTD

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 27 June 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Baker & Taylor (UK) LTD, comprise:

- the Balance Sheet as at 27 June 2014;
- the Profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Baker & Taylor (UK) LTD (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

John Howarth

John Howarth (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
17 March 2015

Profit and loss account for the year ended 27 June 2014

	Note	Year ended 27 June 2014 £'000	Year ended 28 June 2013 £'000
TURNOVER	2	**25,743**	28,091
Cost of sales		**(19,230)**	(20,774)
GROSS PROFIT		**6,513**	7,317
Distribution costs		**(2,641)**	(2,655)
Administrative expenses		**(3,769)**	(3,753)
OPERATING PROFIT	3	**103**	909
Interest receivable and similar income	4	**4**	6
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**107**	915
Tax on profit on ordinary activities	7	**(19)**	(147)
PROFIT FOR THE FINANCIAL YEAR	15	**88**	768

The results for the years above are derived entirely from continuing activities.

The company has no recognised gains and losses other than the profits above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial years stated above, and their historical cost equivalents.

Balance sheet as at 27 June 2014

	Note	2014 £'000	2013 £'000
FIXED ASSETS			
Tangible assets	8	**497**	520
Investments	9	**80**	80
		577	600
CURRENT ASSETS			
Stocks	10	**5,105**	4,081
Debtors	11	**3,814**	3,333
Cash at bank and in hand		**1,292**	2,477
		10,211	9,891
CREDITORS: amounts falling due within one year	12	**(5,155)**	(4,946)
NET CURRENT ASSETS		**5,056**	4,945
TOTAL ASSETS LESS CURRENT LIABILITIES		**5,633**	5,545
NET ASSETS		**5,633**	5,545
CAPITAL AND RESERVES			
Called up share capital	14	**50**	50
Profit and loss account	15	**5,583**	5,495
TOTAL SHAREHOLDERS' FUNDS	16	**5,633**	5,545

These financial statements on pages 7 to 16 were approved by the Board of directors on 26 March 2015 and signed on its behalf by:

G Powell
Director

Notes to the financial statements for the year ended 27 June 2014

1. ACCOUNTING POLICIES

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies which have been consistently applied throughout the year are set out below. The financial statements of the company are prepared to the immediate Friday prior to the accounting reference date.

Cash flow statement and related party transactions

The company is exempt from the requirements of FRS 1 'Cash flow statements (revised 1996)' to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Castle Harlan Inc., whose consolidated financial statements, which include the company's financial statements, are publicly available.

The company is also exempt under the terms of paragraph 3(c) FRS 8 'Related party transactions' from disclosing related party transactions with entities that are part of the Baker & Taylor Inc group.

Consolidation

The company is a wholly-owned subsidiary of Castle Harlan Inc., and is included in the consolidated financial statements of Castle Harlan Inc. which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 401 of the Companies Act 2006.

Turnover

Turnover represents amounts receivable for goods and services net of value added tax and trade discounts. The company recognises revenue from product sales when the goods are shipped or delivered and title passes to the customer.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Tangible fixed assets are initially stated at cost, being their purchase cost together with any incidental expenses of acquisitions. The carrying values of tangible fixed assets are reviewed for impairment in years if events or changes in circumstances indicate the carrying value may not be recoverable. Any permanent impairment of tangible fixed assets will be charged to the profit and loss account in the year it arises. Depreciation is calculated so as to write off the cost of tangible fixed assets less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Plant and machinery	-	6.67% - 25%
Fixtures, fittings and equipment	-	25%

Operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Finance leases

Assets held under finance leases and similar contracts are capitalised as tangible fixed assets and depreciated over the lower of the useful economic lives and the terms of the leases. The capital elements of future lease obligations are recorded as liabilities while the interest elements are charged to the profit and loss account using the actuarial method so interest charged falls as the lease progresses.

Fixed Asset Investments

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Notes to the financial statements for the year ended 27 June 2014

1. ACCOUNTING POLICIES (CONTINUED)

Stocks

Stocks are valued using first in first out basis at the lower of the cost and estimated net realisable value, after taking due allowance for obsolete, defective and slow moving items.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

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 have occurred at that date that will result in an obligation to pay more tax in the future, or a right to pay less tax in future, with the following exceptions:

Provision is made for tax gains arising gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted on the basis of all the evidence available.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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. All differences are taken to profit and loss account.

2. TURNOVER

Geographical market	**Year ended 27 June 2014 £'000**	Year ended 28 June 2013 £'000
United Kingdom	**25,369**	27,712
Rest of European Union	**235**	201
Rest of World	**139**	178
	25,743	28,091

Turnover is derived from the company's principal activity, which is considered by the directors to be one class of business.

Notes to the financial statements for the year ended 27 June 2014

3. OPERATING PROFIT

	Year ended 27 June 2014 £'000	Year ended 28 June 2013 £'000
Operating profit is stated after charging:		
Depreciation of owned assets	**178**	169
Depreciation of assets held under finance lease	**51**	51
Operating lease rentals:		
land and buildings	**461**	465
other assets	**126**	127
Auditors' remuneration:		
audit services	**38**	33
services relating to taxation	**12**	12

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 27 June 2014 £'000	Year ended 28 June 2013 £'000
Bank interest	**4**	6
	4	6

5. EMPLOYEES

The average monthly number of employees (including directors) by activity during the year was:

	2014 Number	2013 Number
Administration and management	**37**	28
Sales and distribution	**133**	132
	170	160

	Year ended 27 June 2014 £'000	Year ended 28 June 2013 £'000
Wages and salaries	**3,372**	3,037
Social security costs	**283**	283
Other pension costs (see note 17)	**126**	183
	3,781	3,503

Notes to the financial statements for the year ended 27 June 2014

6. DIRECTORS' EMOLUMENTS

	Year ended 27 June 2014 £'000	Year ended 28 June 2013 £'000
Aggregate emoluments	405	348
Company pension contributions to money purchase schemes	49	34
	454	382

Emoluments disclosed above include the following amounts paid to the highest paid director:

	Year ended 27 June 2014 £'000	Year ended 28 June 2013 £'000
Aggregate emoluments	151	150
Company pension contributions to money purchase schemes	12	12
	163	162

Three directors accrue retirement benefits under a money purchase pension scheme (Year ended 28 June 2013: three).

During the year, two directors were remunerated by other US group companies, and their emoluments are disclosed in the financial statements of those companies and no amounts can be allocated for their services in relation to this company.

Notes to the financial statements for the year ended 27 June 2014

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

The standard rate of corporation tax in the UK changed to 21% with effect from 1 April 2014 (Year ended 28 June 2013: 23%). Based on current capital investment plans, the company expects to continue to be able to claim capital allowances in excess of depreciation in future years at a similar level to the current year. In addition to the changes in the rates of Corporation tax disclosed above further changes to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2013 on 2 July 2013. These include reductions to the main rate to reduce the rate to 20% from 1 April 2015. As the changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements.

(a) Analysis of charges in the year

	Year ended 27 June 2014 £'000	Year ended 28 June 2013 £'000
Current Tax		
United Kingdom corporation tax on profits for the year	**27**	147
Total current tax	**27**	147
Deferred tax		
Origination and reversal of timing differences	**(12)**	(1)
Changes in tax rates	**4**	1
Total deferred tax	**(8)**	-
Tax charge on profit on ordinary activities	**19**	147

(b) Reconciliation to current tax charge

The tax assessed for the year is higher (2013: lower) than the standard rate of corporation tax in the UK for the year ended 27 June 2014 of 22.50% (2013: 23.75%) The differences are explained below:

	Year ended 27 June 2014 £'000	Year ended 28 June 2013 £'000
Profit on ordinary activities before taxation	**107**	915
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.50% (2013: 23.75%)	**24**	217
Effect of:		
Expenses not deductible for tax purposes	**2**	2
Capital allowances in excess of depreciation	**10**	(3)
Other timing differences	**2**	4
Group relief claimed not paid	**(11)**	(73)
Current tax charge for the year	**27**	147

Notes to the financial statements for the year ended 27 June 2014

8. TANGIBLE FIXED ASSETS

	Plant and machinery £'000	Fixtures, fittings & equipment £'000	Total £'000
Cost			
At 28 June 2013	1,879	1,379	3,258
Additions	99	109	208
At 27 June 2014	**1,978**	**1,488**	**3,466**
Accumulated depreciation			
At 28 June 2013	1,558	1,180	2,738
Charge for the year	101	130	231
At 27 June 2014	**1,659**	**1,310**	**2,969**
Net book value			
At 27 June 2014	**319**	**178**	**497**
At 28 June 2013	321	199	520
Net book value of assets held under finance lease included above			
At 27 June 2014	-	-	-
At 28 June 2013	51	-	51

9. FIXED ASSET INVESTMENTS

	2014 £'000	2013 £'000
Cost and net book value		
At 28 June 2013 and at 27 June 2014	**80**	80

The directors believe that the book value of investments is supported by their underlying net assets.

The company owns 100% of the issued ordinary share capital of The Book Shed (Bargain Books) Limited, a company incorporated in England and Wales. The company was dormant for the year under review. The aggregate capital and reserves at 27 June 2014 is £82,000 (2013: £82,000).

10. STOCKS

	2014 £'000	2013 £'000
Finished goods	**5,105**	4,081

Replacement costs of stock are considered to be materially consistent with their balance sheet values.

Notes to the financial statements for the year ended 27 June 2014

11. DEBTORS

	2014 £'000	2013 £'000
Trade debtors	**3,211**	2,597
Amounts owed by group undertaking	**287**	140
Prepayments and accrued income	**288**	577
Corporation tax	**1**	-
Deferred tax asset (see note 13)	**27**	19
	3,814	3,333

The amount owed by group undertakings bears no interest. The amounts due are unsecured and have no fixed repayment date.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £'000	2013 £'000
Trade creditors	**3,777**	3,506
Amounts owed to group undertakings	**1,047**	1,047
Other taxation and social security costs	**80**	75
Accruals and deferred income	**251**	281
Corporation tax	**-**	37
	5,155	4,946

The amounts owed to group undertakings bear no interest, are unsecured and have no fixed repayment date.

13. DEFERRED TAX ASSET

	2014 £'000	2013 £'000
Depreciation in advance of capital allowances	**22**	15
Other timing differences	**5**	4
Total deferred tax asset	**27**	19
At 28 June 2013	**19**	
Deferred tax charge in profit and loss account for year (note 7)	**8**	
At 27 June 2014	**27**	

14. CALLED UP SHARE CAPITAL

	2014 £'000	2013 £'000
Authorised		
50,000 ordinary shares of £1 each (2013: 50,000)	**50**	50
Allotted and fully paid		
50,000 ordinary shares of £1 each (2013: 50,000)	**50**	50

Notes to the financial statements for the year ended 27 June 2014

15 PROFIT AND LOSS ACCOUNT

	£'000
Balance at 28 June 2013	**5,495**
Profit for the financial year	**88**
Balance at 29 June 2014	**5,583**

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014	2013
	£'000	£'000
Profit for the financial year	**88**	768
Opening shareholders' funds	**5,545**	4,777
Closing shareholders' funds	**5,633**	5,545

17. PENSION COSTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £125,769 (2013: £183,431). At the balance sheet date there were outstanding contributions of £25,376 (2013: £17,584) payable to the fund.

18. OPERATING LEASE COMMITMENTS

The company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		**Other**	
	2014	2013	**2014**	2013
	£'000	£'000	**£'000**	£'000
Expiry date:				
Within one year	-	465	**16**	47
Between two and five years	**400**	-	**104**	82
	400	465	**120**	129

19. CAPITAL COMMITMENT

Capital expenditure authorised and contracted at 27 June 2014 but not provided in these financial statements amounted to £Nil (28 June 2013: £Nil).

20. ULTIMATE PARENT COMPANY CONTROLLING PARTY

The immediate parent company is Advanced Marketing (Europe) Limited, a company incorporated in England, who own 100% of Baker & Taylor (UK) Ltd.

The directors regard Castle Harlan Inc, a private equity firm incorporated in the United States of America, as the ultimate holding company and controlling party. The smallest group in which the results of the company are consolidated is Baker & Taylor Inc. and the largest is that headed by the ultimate parent company. Copies of these financial statements are available from Castle Harlan Inc., 150 East 58th Street, New York 10155, USA.