

REGISTERED NUMBER: 01734235 (England and Wales)

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016
FOR
PUBLISHERS GROUP UK LIMITED

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for the Year Ended 31 December 2016

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PUBLISHERS GROUP UK LIMITED

COMPANY INFORMATION
for the Year Ended 31 December 2016

DIRECTORS: M Hughes
Ms C E Parson

SECRETARY: M Hughes

REGISTERED OFFICE: 63-66 Hatton Garden
London
EC1N 8LE

REGISTERED NUMBER: 01734235 (England and Wales)

SENIOR STATUTORY AUDITOR: P.C.S.Waight F.C.A.

AUDITORS: Waight & Company Limited
Reporting Accountants and Registered Auditors
8 Lonsdale Gardens
Tunbridge Wells
Kent
TN11NU

STRATEGIC REPORT
for the Year Ended 31 December 2016

The directors present their strategic report for the year ended 31 December 2016.

REVIEW OF BUSINESS

The directors believe that the company has maintained sales and margins in line with the budgets set by them. As mentioned in their last Review.

The results of the company show an improving gross profit of 34.8% (2015 33.6%) and a 39.7% (2015-10.0%) increase in turnover. The net profit percentage is 5.0% which is a slightly down on the previous year. A major factor in this dip is the affect the value of the pound to the US dollar resulting in a write to Profit and Loss of £613,543 in the year . Payment of trade debtors has slipped to 148 days (2015 108 days) and although trade creditors have increased this is in line with better payment terms having been negotiated.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors do not feel that there are any principal risks or uncertainties. Whilst the market is changing it is a recognised fact that the sales of books relating to certain niche areas will be popular for the foreseeable future.

ON BEHALF OF THE BOARD:

M Hughes - Director

6 September 2017

REPORT OF THE DIRECTORS
for the Year Ended 31 December 2016

The directors present their report with the financial statements of the company for the year ended 31 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of book distribution.

DIVIDENDS

Interim dividends per share were paid as follows:

Ordinary Shares £1 shares	72000	- 6 January 2016
	100000	- 8 January 2016
	50000	- 16 March 2016
	72000	- 19 April 2016
	144000	- 8 June 2016
	100000	- 8 December 2016
	<u>538000</u>	

'A' Ordinary shares £1 shares	10000	- 8 December 2016
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The directors recommend that no final dividends be paid.

The total distribution of dividends for the year ended 31 December 2016 will be £ 548,000 .

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2016 to the date of this report.

M Hughes
Ms C E Parson

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 elected to prepare 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;
- 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

REPORT OF THE DIRECTORS
for the Year Ended 31 December 2016

AUDITORS

The auditors, Waight & Company Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

M Hughes - Director

6 September 2017

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PUBLISHERS GROUP UK LIMITED

We have audited the financial statements of Publishers Group UK Limited for the year ended 31 December 2016 on pages seven to nineteen. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 a Report of the Auditors 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 explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 Strategic Report and the Report of the Directors 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. The previous years accounts to 31 December 2012 were not audited. We have carried out such tests as were necessary to confirm that the Balance Sheet figures as at 31 December 2012 were correct and nothing has happened since that date that would indicate otherwise.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Strategic Report or the Report of the Directors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
PUBLISHERS GROUP UK LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

P.C.S.Waight F.C.A. (Senior Statutory Auditor)
for and on behalf of Waight & Company Limited
Reporting Accountants and Registered Auditors
8 Lonsdale Gardens
Tunbridge Wells
Kent
TN1 1NU

7 September 2017

INCOME STATEMENT
for the Year Ended 31 December 2016

	Notes	31.12.16 £	£	31.12.15 £	£
TURNOVER	3		11,998,440		8,587,656
Cost of sales			<u>7,824,893</u>		<u>5,699,994</u>
GROSS PROFIT			<u>4,173,547</u>		<u>2,887,662</u>
Distribution costs		1,586,252		1,006,069	
Administrative expenses		<u>1,373,247</u>		<u>1,302,395</u>	
			<u>2,959,499</u>		<u>2,308,464</u>
			1,214,048		579,198
Other operating income			<u>(613,543)</u>		<u>(182,078)</u>
OPERATING PROFIT	5		<u>600,505</u>		<u>397,120</u>
Profit/loss on sale of invest	6		<u>-</u>		<u>98,343</u>
			600,505		495,463
Interest receivable and similar income			<u>820</u>		<u>793</u>
			601,325		496,256
Interest payable and similar expenses	7		<u>10</u>		<u>66</u>
PROFIT BEFORE TAXATION			<u>601,315</u>		<u>496,190</u>
Tax on profit	8		<u>115,920</u>		<u>83,052</u>
PROFIT FOR THE FINANCIAL YEAR			<u><u>485,395</u></u>		<u><u>413,138</u></u>

OTHER COMPREHENSIVE INCOME
for the Year Ended 31 December 2016

	Notes	31.12.16 £	31.12.15 £
PROFIT FOR THE YEAR		485,395	413,138
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME			
FOR THE YEAR		<u>485,395</u>	
Prior year adjustment			<u>144,598</u>
TOTAL COMPREHENSIVE INCOME			
SINCE LAST ANNUAL REPORT			<u>557,736</u>

BALANCE SHEET
31 December 2016

	Notes	31.12.16 £	£	31.12.15 £	£
FIXED ASSETS					
Tangible assets	10		14,478		19,289
CURRENT ASSETS					
Stocks	11	1,173,080		1,094,383	
Debtors	12	7,211,022		4,766,175	
Cash at bank and in hand		<u>940,345</u>		<u>227,779</u>	
		9,324,447		6,088,337	
CREDITORS					
Amounts falling due within one year	13	<u>8,683,119</u>		<u>5,389,215</u>	
NET CURRENT ASSETS			<u>641,328</u>		<u>699,122</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>655,806</u>		<u>718,411</u>
CAPITAL AND RESERVES					
Called up share capital	18		1,010		1,010
Retained earnings	19		<u>654,796</u>		<u>717,401</u>
SHAREHOLDERS' FUNDS			<u>655,806</u>		<u>718,411</u>

The financial statements were approved by the Board of Directors on 6 September 2017 and were signed on its behalf by:

M Hughes - Director

STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 December 2016

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2015	1,010	469,665	470,675
Prior year adjustment	-	144,598	144,598
As restated	1,010	614,263	615,273
Changes in equity			
Dividends	-	(310,000)	(310,000)
Total comprehensive income	-	413,138	413,138
Balance at 31 December 2015	1,010	717,401	718,411
Changes in equity			
Dividends	-	(548,000)	(548,000)
Total comprehensive income	-	485,395	485,395
Balance at 31 December 2016	1,010	654,796	655,806

CASH FLOW STATEMENT
for the Year Ended 31 December 2016

	Notes	31.12.16 £	31.12.15 £
Cash flows from operating activities			
Cash generated from operations	1	1,584,150	299,116
Interest paid		(10)	(66)
Tax paid		(84,338)	(87,698)
Net cash from operating activities		<u>1,499,802</u>	<u>211,352</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(5,724)	(2,107)
Sale of tangible fixed assets		-	2,521
Interest received		820	793
Net cash from investing activities		<u>(4,904)</u>	<u>1,207</u>
Cash flows from financing activities			
Payments in advance		(239,322)	(2,522)
Equity dividends paid		(548,000)	(310,000)
Net cash from financing activities		<u>(787,322)</u>	<u>(312,522)</u>
Increase/(decrease) in cash and cash equivalents		<u>707,576</u>	<u>(99,963)</u>
Cash and cash equivalents at beginning of year	2	227,779	327,742
Cash and cash equivalents at end of year	2	<u>935,355</u>	<u>227,779</u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 December 2016

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31.12.16	31.12.15
	£	£
Profit before taxation	601,315	496,190
Depreciation charges	10,535	16,797
Finance costs	10	66
Finance income	(820)	(793)
	<u>611,040</u>	<u>512,260</u>
Increase in stocks	(78,697)	(103,240)
(Increase)/decrease in trade and other debtors	(2,205,774)	147,987
Increase/(decrease) in trade and other creditors	<u>3,257,581</u>	<u>(257,891)</u>
Cash generated from operations	<u>1,584,150</u>	<u>299,116</u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2016

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	940,345	227,779
Bank overdrafts	(4,990)	-
	<u>935,355</u>	<u>227,779</u>

Year ended 31 December 2015

	31.12.15	1.1.15
	£	£
Cash and cash equivalents	<u>227,779</u>	<u>327,742</u>

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2016

1. STATUTORY INFORMATION

Publishers Group UK Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover

Turnover represents net invoiced goods and services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 25% on cost
Fixtures and fittings	- 25% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange as an approximation of the actual exchange rates prevailing over a given time period. Exchange differences are taken into account in arriving at the operating result.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2016

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	31.12.16	31.12.15
	£	£
United Kingdom	11,108,369	7,997,130
Europe	890,071	590,526
	<u>11,998,440</u>	<u>8,587,656</u>

4. EMPLOYEES AND DIRECTORS

	31.12.16	31.12.15
	£	£
Wages and salaries	605,676	564,355
Social security costs	62,724	56,781
Other pension costs	16,420	15,414
	<u>684,820</u>	<u>636,550</u>

The average monthly number of employees during the year was as follows:

	31.12.16	31.12.15
Office	<u>20</u>	<u>20</u>

	31.12.16	31.12.15
	£	£
Directors' remuneration	<u>72,105</u>	<u>63,046</u>

The number of directors to whom retirement benefits were accruing was as follows:

	<u>2</u>	<u>2</u>
Defined benefit schemes		

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2016

5. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.16	31.12.15
	£	£
Hire of plant and machinery	58,105	58,055
Other operating leases	15,069	16,929
Depreciation - owned assets	10,535	14,275
Auditors' remuneration	7,800	7,000
Taxation compliance services	2,200	2,000
Other non- audit services	1,000	1,000
Foreign exchange differences	<u>613,543</u>	<u>182,078</u>

6. EXCEPTIONAL ITEMS

	31.12.16	31.12.15
	£	£
Profit/loss on sale of invest	<u>-</u>	<u>98,343</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.12.16	31.12.15
	£	£
Bank interest	<u>10</u>	<u>66</u>

8. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.12.16	31.12.15
	£	£
Current tax:		
UK corporation tax	115,671	84,337
Deferred tax	<u>249</u>	<u>(1,285)</u>
Tax on profit	<u>115,920</u>	<u>83,052</u>

UK corporation tax has been charged at 20% (2015 - 20.09%).

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2016

8. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.16	31.12.15
	£	£
Profit before tax	<u>601,315</u>	<u>496,190</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.088%)	120,263	99,675
Effects of:		
Expenses not deductible for tax purposes	4,927	6,458
Income not taxable for tax purposes	(9,519)	(50,842)
Adjustments to tax charge in respect of previous periods	-	29,046
Deferred tax charge	<u>249</u>	<u>(1,285)</u>
Total tax charge	<u>115,920</u>	<u>83,052</u>

The deferred tax charge is a debit because full capital allowances were not taken in the early years and depreciation has been written off over four years.

9. DIVIDENDS

	31.12.16	31.12.15
	£	£
Ordinary Shares shares of £1 each		
Interim	538,000	270,000
'A' Ordinary shares shares of £1 each		
Interim	<u>10,000</u>	<u>40,000</u>
	<u>548,000</u>	<u>310,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2016

10. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Totals £
COST			
At 1 January 2016	4,679	103,852	108,531
Additions	-	5,724	5,724
Disposals	-	(10,239)	(10,239)
At 31 December 2016	<u>4,679</u>	<u>99,337</u>	<u>104,016</u>
DEPRECIATION			
At 1 January 2016	3,460	85,782	89,242
Charge for year	597	9,938	10,535
Eliminated on disposal	-	(10,239)	(10,239)
At 31 December 2016	<u>4,057</u>	<u>85,481</u>	<u>89,538</u>
NET BOOK VALUE			
At 31 December 2016	<u>622</u>	<u>13,856</u>	<u>14,478</u>
At 31 December 2015	<u>1,219</u>	<u>18,070</u>	<u>19,289</u>

11. STOCKS

	31.12.16 £	31.12.15 £
Stocks	<u>1,173,080</u>	<u>1,094,383</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.16 £	31.12.15 £
Trade debtors	4,870,589	2,550,850
Other debtors	1,999,379	1,828,872
VAT	40,361	41,281
Deferred tax asset	3,242	3,491
Prepayments and accrued income	<u>297,451</u>	<u>341,681</u>
	<u>7,211,022</u>	<u>4,766,175</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.16 £	31.12.15 £
Bank loans and overdrafts (see note 14)	4,990	-
Trade creditors	6,419,741	3,313,121
Other creditors	1,855,497	1,715,619
Tax	115,668	84,335
Social security and other taxes	35,050	15,168
Accruals and deferred income	<u>252,173</u>	<u>260,972</u>
	<u>8,683,119</u>	<u>5,389,215</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2016

14. LOANS

An analysis of the maturity of loans is given below:

	31.12.16 £	31.12.15 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>4,990</u>	<u>-</u>

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.16 £	31.12.15 £
Within one year	160,377	172,236
Between one and five years	<u>271,549</u>	<u>318,675</u>
	<u>431,926</u>	<u>490,911</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.16 £	31.12.15 £
Bank overdraft	<u>4,990</u>	<u>-</u>

The Bank hold a Debenture on the Banks Standard Form dated 04/06/2008. There is an overdraft facility of £250,000 secured by a fixed and floating charge on the company's assets.

17. DEFERRED TAX

	£
Balance at 1 January 2016	(3,491)
Provided during year	<u>249</u>
Balance at 31 December 2016	<u>(3,242)</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.16 £	31.12.15 £
1,000	Ordinary Shares	£1	1,000	1,000
10	'A' Ordinary shares	£1	<u>10</u>	<u>10</u>
			<u>1,010</u>	<u>1,010</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2016

19. RESERVES

	Retained earnings £
At 1 January 2016	717,401
Profit for the year	485,395
Dividends	<u>(548,000)</u>
At 31 December 2016	<u>654,796</u>

20. OTHER FINANCIAL COMMITMENTS

As at the year end the company had a financial commitment to the lease and service charge of the office and storage unit of £363,785 (2015- £Nil). The lease is for three years commencing 5th. January 2017 with no break clause.

21. RELATED PARTY DISCLOSURES

Key management personnel of the entity or its parent (in the aggregate)

	31.12.16 £	31.12.15 £
Dividends	538,000	270,000
Remuneration	<u>72,105</u>	<u>71,650</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.