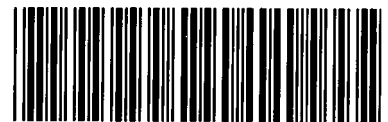


JESSICA KINGSLEY (PUBLISHERS) LIMITED

Annual Report and Financial Statements

Year ended 31st December 2021

TUESDAY



ABBGIJWA

A12

30/08/2022

#264

COMPANIES HOUSE

JESSICA KINGSLEY (PUBLISHERS) LIMITED

REPORT AND FINANCIAL STATEMENTS 2021

CONTENTS	Page
Company Information	1
Strategic Report	2
Directors' Report	3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10

JESSICA KINGSLEY (PUBLISHERS) LIMITED

REPORT AND FINANCIAL STATEMENTS 2021

COMPANY INFORMATION

DIRECTORS

D Shelley
P de Cacqueray

SECRETARY

P de Cacqueray

REGISTERED OFFICE

Carmelite House
50 Victoria Embankment
London EC4Y 0DZ

COMPANY NUMBER

02073602 (England and Wales)

AUDITOR

Mazars LLP
Chartered Accountants and Statutory Auditors
30 Old Bailey
London
EC4M 7AU

STRATEGIC REPORT

The Directors present their strategic report for Jessica Kingsley (Publishers) Limited for the year ended 31st December 2021.

Review and Analysis of the Business During the Current Year

The Company previously traded as a book publisher.

On 1st January 2021, the Company sold its trade and assets to another group company.

Following that, the Company underwent activities to make itself dormant including a capital reduction performed on 30th June 2021 and paying dividends to its parent company on 21st July 2021.

Key performance indicators

Management has historically used a range of performance measures to monitor and manage the business. As the company has become dormant during the year, analysis against these parameters is no longer deemed appropriate.

Future Developments

The Company has ceased to act as a book publisher and will be dormant in future years.

Approved by the Board of Directors and signed on behalf of the Board.



P de Cacqueray
Director

27th May 2022

DIRECTORS' REPORT

The Directors present their Annual Report and Financial Statements for the year ended 31st December 2021.

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report on page 2. These matters relate to the principal activity, business review, principal risks and uncertainties, and future developments.

Dividends

The Company paid a final dividend of £9,377,054 in the year ended 31st December 2021 (year ended 31st December 2020: £900,000).
The directors do not recommend a final dividend to be paid in 2022.

Directors

The names of the present Directors of the Company are shown on page 1.

Directors' Indemnity

The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for directors and officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by them as officers or employees of the Company.

Appropriate directors' and officers' liability insurance cover is in place in respect of all of the Company's directors.

Going Concern

The Company has transferred its trade and net assets to a fellow subsidiary company during the year and therefore did not trade beyond this transfer taking place. After making enquiries, the directors will not be liquidating the Company in the foreseeable future but will retain it in-case it is required to trade for future projects that the Group may enter into. The financial statements have been prepared on a basis other than the going concern basis.

Statement as to Disclosure of Information to Auditor

The directors who held office at the date of approval of this report confirm that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of this information.

Approved by the Board of Directors and signed on behalf of the Board.



P de Cacqueray
Director

27th May 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the 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 elected to prepare financial statements in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 year. 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; 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 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.

INDEPENDENT AUDITOR'S REPORT

To the members of Jessica Kingsley (Publishers) Limited

Opinion

We have audited the financial statements of Jessica Kingsley (Publishers) Limited (the 'Company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including 'Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – basis of preparation

We draw attention to Note 2.1 to the financial statements which explains that the company has ceased operations and therefore the directors do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in Note 2.1. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

INDEPENDENT AUDITOR'S REPORT (continued)**Responsibilities of Directors**

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

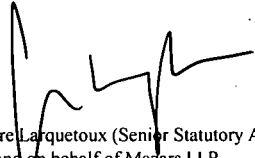
- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

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 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.


 Claire Larquetoux (Senior Statutory Auditor)
 for and on behalf of Mazars LLP
 Chartered Accountants and Statutory Auditor
 30 Old Bailey
 London
 EC4M 7AU
 Date:

23 June 2022

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31st December 2021

	Notes	Year ended 31st December 2021	Year ended 31st December 2020
		£	£
REVENUE	4	-	7,433,896
Cost of sales		-	(1,963,407)
GROSS PROFIT		<u>-</u>	<u>5,470,489</u>
Distribution costs		-	(749,634)
Administrative expenses		-	(3,484,131)
Profit on sale of assets		8,279,365	-
OPERATING PROFIT	7	<u>8,279,365</u>	<u>1,236,724</u>
Finance expense	6	-	(7)
PROFIT BEFORE TAXATION		<u>8,279,365</u>	<u>1,236,717</u>
Taxation	8	-	(238,281)
PROFIT FOR THE YEAR		<u>8,279,365</u>	<u>998,436</u>
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>8,279,365</u>	<u>998,436</u>

All results are derived from continuing operations.

The notes on pages 11 to 15 form an integral part of the financial statements.


JESSICA KINGSLEY (PUBLISHERS) LIMITED

STATEMENT OF FINANCIAL POSITION 31st December 2021

	Notes	As at 31st December 2021	As at 31st December 2020
		£	£
NON-CURRENT ASSETS			
Deferred tax	8	-	1,311
		<u>-</u>	<u>1,311</u>
CURRENT ASSETS			
Inventories	10	-	1,107,770
Trade and other receivables	11	1	3,874,957
Cash and cash equivalents		-	-
		<u>1</u>	<u>4,982,727</u>
CURRENT LIABILITIES			
Trade and other payables	12	-	(3,826,348)
Provisions	13	-	(60,000)
		<u>-</u>	<u>(3,886,348)</u>
NET CURRENT ASSETS		<u>1</u>	<u>1,096,379</u>
NET ASSETS		<u>1</u>	<u>1,097,690</u>
CAPITAL AND RESERVES			
Called up equity share capital	14	1	105
Share Premium		-	42,155
Retained earnings		-	1,055,430
EQUITY SHAREHOLDER'S FUNDS		<u>1</u>	<u>1,097,690</u>

The notes on pages 11 to 15 form an integral part of the financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 27th May 2022.



Signed on behalf of the Board of Directors.
P de Cacqueray
Director

JESSICA KINGSLEY (PUBLISHERS) LIMITED

STATEMENT OF CHANGES IN EQUITY

31st December 2021

	Share capital £	Share premium £	Retained earnings £	Total equity £
At 1st January 2020	105	42,155	956,994	999,254
Profit for the year	-	-	998,436	998,436
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	998,436	998,436
Dividends paid	-	-	(900,000)	(900,000)
At 31st December 2020	105	42,155	1,055,430	1,097,690
Profit for the year	-	-	8,279,365	8,279,365
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	8,279,365	8,279,365
Capital Reduction	(104)	(42,155)	42,259	-
Dividends paid	-	-	(9,377,054)	(9,377,054)
At 31st December 2021	1	-	-	1

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December 2021

1 CORPORATE INFORMATION

Jessica Kingsley (Publishers) Limited is a Company incorporated in the United Kingdom. The registered address of the Company is given on page 1. The principal operations of the Company are included in the strategic report on page 2.

2 ACCOUNTING POLICIES

2.1 Basis of preparation

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101") and in accordance with the applicable provisions of the Companies Act 2006. Except for certain disclosure exemptions detailed below, the recognition, measurement and disclosure requirements of the applicable law and United Kingdom Accounting Standards have been applied to these financial statements and, where necessary, amendments have been made in order to comply with the Companies Act 2006 and The Large and Medium-sized Companies and Groups Regulations 2008/410 ('Regulations').

Disclosure exemptions applied

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS101 paragraph 8:

- a) The requirement of IFRS 7 'Financial Instruments: Disclosures' relating to the disclosure of financial instruments and the nature and extent of risks arising from such instruments;
- b) The requirement of IFRS 13 'Fair Value Measurement' paragraphs 91 to 99 relating to the fair value measurement disclosures of financial assets and financial liabilities that are measured at fair value, such as the available for sale investments and derivative financial instruments;
- c) The applicable requirements of IAS 36 'Impairment of Assets' relating to the disclosures of estimates used to measure recoverable amounts;
- d) The applicable requirements of IAS 1 'Presentation of Financial Statements' relating to the disclosure of comparative information in respect of the number of shares outstanding at the beginning and end of the year (IAS 1.79(a)(iv)), the reconciliation of the carrying amount of property, plant and equipment (IAS 16.73 (e)) and the reconciliation of the carrying amount of intangible assets (IAS 18 (118)(e));
- e) The requirement of IAS 1 'Presentation of Financial Statements' paragraphs 134 to 136 relating to disclosure of capital management policies and objectives;
- f) The requirements of IAS 7 'Statement of Cash Flows' and IAS 1 'Presentation of Financial Statements' paragraph 10(d), 111 relating to the presentation of a Cash Flow Statement;
- g) The requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' paragraphs 30 and 31 relating to the disclosure of standards, amendments and interpretations in issue but not yet effective; and
- h) The requirement of IAS 24 'Related Party Disclosures' paragraph 17 relating to the disclosure of key management personnel compensation and relating to the disclosure of related party transactions entered into between the Company and other wholly-owned subsidiaries of the group.

For the disclosure exemptions listed in points a) and c), the equivalent disclosures are included in the consolidated financial statements of the group, Lagadere SCA which the Company is consolidated into.

Basis of measurement

The financial statements have been prepared on the historical cost basis.

Going concern

The Company has transferred its trade and net assets to a fellow subsidiary company during the year and therefore did not trade beyond this transfer taking place. After making enquiries, the directors will not be liquidating the Company in the foreseeable future but will retain it in case it is required to trade for future projects that the Group may enter into. The financial statements have been prepared on a basis other than the going concern basis.

Functional and presentational currency

The Company's functional currency is GBP Sterling, as this is the currency of the primary economic environment of that in which the Company operates. The financial statements are presented in GBP Sterling.

Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis, as per accounting policy 2.10. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2.2 Foreign currency

Transactions denominated in foreign currencies are recorded at the spot exchange rates at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at each reporting date are translated into the functional currency at the spot exchange rates at that date. Foreign currency translation differences arising on translation are recognised in the statement of comprehensive income.

2.3 Revenue

Revenue includes sales of products and services resulting from contracts with customers and is recognised whenever control of the promised goods or services is transferred to the customer at an amount that reflects the consideration that the entity expects to be entitled to for those goods or services.

Revenue corresponds mainly to sales of goods and is recognised at the point of sale to the customer. Revenue from sub-rights is recognised at the date of the invoice or the date of receipt of cash from the customer. Revenue is shown net of rebates, distribution commissions and the right of return, where applicable.

When a right of return is granted to distributors for unsold items, estimates of the amount of returns are recognised as a refund liability within other current liabilities for the portion relating to the decrease in revenue, and as a refund asset within inventories and other current assets, respectively for the portions relating to inventories and advances paid to authors. The refund liability recognised as a deduction from revenue is estimated using the actual sales during the year and historical data regarding returns, adjusted for changes in the operating environment during the current year.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December 2021

2 ACCOUNTING POLICIES (continued)

2.4 Financial instruments

Financial assets carried at amortised cost

Financial assets are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

Financial assets are initially recognised at fair value plus directly attributable transaction costs.

Financial assets carried at amortised cost are classified as loans and receivables and comprise trade and other receivables and cash and cash equivalents. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Non-current loans and receivables are measured at amortised cost, calculated using the effective interest method. Upon initial recognition, impairment is systematically recognised to the extent of any credit losses expected to result from events that could occur in the next 12 months. If there has been a significant deterioration in the counterparty's credit quality, the initial impairment loss is increased to cover the full amount of expected losses over the remaining term of the receivable.

Trade receivables and operating receivables are carried at amortised cost and are impaired based on the IFRS 9 simplified model. Impairment amounts are determined differently for each business:

- Individual impairment assessed on a case-by-case basis taking into account (i) the counterparty's risk profile; (ii) historical probabilities of default; (iii) probabilities of default supplied by rating agencies; (iv) any credit insurance; and (v) estimated losses for receivables in respect of which a credit event has been identified.
- Collective impairment assessed on a statistical basis using an impairment matrix based on an aged receivables analysis and expected losses.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

Financial liabilities carried at amortised cost

These financial liabilities include trade and other payables and interest bearing loans and borrowings.

Financial liabilities are initially recognised at fair value adjusted for any directly attributable transaction costs.

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

2.5 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

2.6 Income tax

Current income tax assets and/or liabilities comprise obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid/due at the reporting date. Current tax is payable on taxable profits, which may differ from profit or loss in the financial statements. Calculation of current tax is based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting period.

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). However, for deductible temporary differences associated with investments in subsidiaries a deferred tax asset is recognised when the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

2.7 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventories comprises all costs incurred in bringing each product to its present location and condition, as follows:

Goods for resale	- purchase cost
Work in progress and finished goods	- cost of direct materials

Cost is determined on a first-in, first-out ("FIFO") basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.8 Pension costs

The Company participates in a defined contribution pension scheme where pension contributions are charged against profits in the accounting period in which they arise.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December 2021

2 ACCOUNTING POLICIES (continued)

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

2.10 Significant management judgments in applying accounting policies and estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on the recognition of assets, liabilities, income and expenses is provided below.

Impairment of goodwill and other non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and where applicable, using an interest rate to discount them. Estimation uncertainty relates to the assumptions about future operating results and the determination of a suitable discount rate.

Returns provision

The company sells books on a sale or return basis. Other creditors includes an estimate for returns expected to be received after the year end. The timing of returns of unsold books is uncertain. A provision is made against sales for the expected future returns of books that have not occurred by the end of an accounting period.

Royalty advances provision

Unearned royalty advances are written down to the extent that they are not expected to be covered by estimated future earnings. The Directors review all royalty advances for indications that a provision may be required and additionally at the end of each financial year a review is carried out on advances for all published titles.

Stock provision

Old and obsolete stock is written down to the extent that it is not expected to be sold, in line with group policy. Stock levels are compared to sales of the last year and a provision is created when stock is considered slow moving by the management.

2.11 Standards, amendments and interpretations adopted in the current financial year ended 31st December 2021

The adoption of the following mentioned standards, amendments and interpretations in the current year have not had a material impact on the Company's financial statements.

	EU effective date Periods beginning on or after
Annual Improvements to IFRSs (2017 - 2019)	1st January 2021
IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases (Amendments): Interest Rate Benchmark Reform – Phase 2	1st January 2021
IFRS 4 Insurance Contracts (Amendment): Extension of the Temporary Exemption from Applying IFRS 9	1st January 2021

The adoption of the following mentioned standards in future years are not expected to have a material impact on the Company's financial statements:

IAS 16 Property, Plant and Equipment (Amendment): Proceeds before Intended Use	1st January 2022
IAS 37 Provisions, Contingent Liabilities and Contingent Assets: (Amendment): Onerous Contracts – Cost of Fulfilling a Contract	1st January 2022
IFRS 3 Business Combinations (Amendment): Reference to the Conceptual Framework	1st January 2022
Annual Improvements to IFRSs (2019 – 2021 cycle)	1st January 2022
IAS 1 Presentation of Financial Statements (Amendment): Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date	1st January 2023
IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements (Amendment): Disclosure of accounting policies	1st January 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment): Definition of accounting estimates	1st January 2023
IFRS 17 Insurance Contracts and Amendments to IFRS 17	1st January 2023

3 RELATED PARTIES

The Company has taken advantage of the exemption offered by FRS 101 from the requirements of paragraph 17 of IAS 24 'Related Party Disclosures' not to disclose key management personnel compensation and from the requirements in IAS 24 'Related Party Disclosures' not to disclose related party transactions entered into between two or more members of a group.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31st December 2021

4 REVENUE

Analysis by geographical area:

	Year ended 31st December 2021 £	Year ended 31st December 2020 £
United Kingdom	-	3,596,147
Australia and New Zealand	-	280,666
Continental Europe	-	614,681
North America	-	2,680,820
Asia	-	238,249
Rest of World	-	23,333
Total revenue from sales of goods	-	7,433,896

The Directors consider the Company to have one class of business, book publishing, and thus no analysis of revenue by class of business is provided.

5 INFORMATION REGARDING EMPLOYEES AND DIRECTORS

Number of employees

The average monthly number of persons (including Directors) employed by the Company during the year was:

	Year ended 31st December 2021 Number	Year ended 31st December 2020 Number
Book publishing	-	39

Employment costs

	Year ended 31st December 2021 £	Year ended 31st December 2020 £
Wages and salaries	-	1,621,770
Social security costs	-	150,380
Other pension costs	-	133,114
	-	1,905,264

Emolument of directors who are also directors of either Hachette UK Limited or Hachette UK (Holdings) Limited have not been disclosed. The group wide emoluments for those Company directors have been disclosed in the financial statements of Hachette UK Limited or Hachette UK (Holdings) Limited, as appropriate.

6 FINANCE EXPENSE

	Year ended 31st December 2021 £	Year ended 31st December 2020 £
Bank interest payable	-	7

7 OPERATING PROFIT

	Year ended 31st December 2021 £	Year ended 31st December 2020 £
Operating profit is stated after charging:		
Depreciation - recharged	-	4,603
Other operating lease rentals - low value	-	37,708
Foreign exchange loss	-	(8,728)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31st December 2021

8 INCOME TAX AND DEFERRED TAX

	Year ended 31st December 2021 £	Year ended 31st December 2020 £
Current income tax:		
Tax for the current year	-	235,064
Prior year adjustment	-	3,675
	-	238,739
Deferred tax:		
Origination and reversal of temporary differences	-	(458)
Total tax expense	-	238,281
Reconciliation of tax charge:		
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	1,573,079	234,977
Other disallowable expenditure	-	87
Prior year adjustment	-	3,675
Accelerated depreciation	-	(458)
Non-taxable income	(1,573,079)	-
Total tax expense	-	238,281

	Year ended 31st December 2021 £	Year ended 31st December 2019 £
The deferred tax included in the statement of financial position is as follows	-	1,311
Accelerated depreciation	-	1,311
Total recognised deferred tax asset	-	1,311
Deferred tax asset at the start of the year	1,311	853
Deferred tax charge in the statement of comprehensive income for the year	-	458
Deferred tax transferred	(1,311)	-
	-	1,311

Deferred tax has been provided at 25% (year ended 31st December 2020: 19%) which is the rate enacted to apply from 1 April 2023.

9 DIVIDENDS

	Year ended 31st December 2021 £	Year ended 31st December 2019 £
Amounts recognised as distributions to equity holders in the year:		
Dividends paid in the year	9,377,054	900,000

10 INVENTORIES

	As at 31st December 2021 £	As at 31st December 2020 £
Work in progress	-	96,473
Finished goods and goods for sale	-	1,011,297
	-	1,107,770

There is no material difference between the carrying value of inventory and replacement costs.

11 TRADE AND OTHER RECEIVABLES

	As at 31st December 2021 £	As at 31st December 2020 £
Trade receivables	-	3,637,320
Amounts owed by group undertakings	1	-
Other receivables	-	233,310
Prepayments and accrued income	-	4,327
	1	3,874,957

All amounts are due on demand or within one year.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31st December 2021

12 TRADE AND OTHER PAYABLES

	As at 31st December 2021	As at 31st December 2020
	£	£
Amounts owed to group undertakings	-	2,049,743
Other payables	-	1,343,525
Accruals and deferred income	-	433,080
	<u>-</u>	<u>3,826,348</u>

There are no amounts disclosed in this note due in more than one year.

13 PROVISIONS

	£
	Dilapidations provision
At 1st January 2021	60,000
Transferred to Hachette UK Limited	(60,000)
At 31st December 2021	<u>-</u>

The dilapidation provision is in respect of leasehold property.

14 CALLED UP SHARE CAPITAL

	As at 31st December 2021	As at 31st December 2020
	Number	Number
Allotted, called up and fully paid		
1p ordinary A shares	100	7,500
1p ordinary B shares	-	3,027
	<u>100</u>	<u>10,527</u>
	£	£
	1	75
	-	30
	<u>1</u>	<u>105</u>

The Company underwent a capital reduction on 30th June 2021, reducing the share capital from £105 to £1.

15 ULTIMATE AND IMMEDIATE PARENT COMPANIES

The Company's immediate parent undertaking is Hachette UK Limited, a company incorporated in England and Wales.

The ultimate parent company is Lagardere SCA, a company incorporated in France. This is also both the largest and smallest group which includes the company and for which consolidated accounts are prepared. Copies of the group accounts of Lagardere SCA are available from 4 Rue de Presbourg, 75116, Paris 16, France.