

Oberon Books Limited
DIRECTORS' REPORT AND
UNAUDITED FINANCIAL STATEMENTS

Period ended
29 February 2020

Company Registration No. 02082142

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Oberon Books Limited

DIRECTORS' REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2020

The directors present their report and the financial statements for the period ended 29 February 2020.

PRINCIPAL ACTIVITY

The Company continued to trade during the period as an academic publisher. On 10 December 2019 Bloomsbury Publishing Plc acquired the issued share capital of the Company. The Company will continue to trade as an academic publisher under the ownership of Bloomsbury Publishing Plc.

PRINCIPAL RISKS AND CONTROLS

A full review of the Bloomsbury Publishing Plc Group's ("Group") Risk Register setting out the risks facing the business and the controls in place for all companies within the Group was conducted by the Group Audit Committee during 2020. Details of this review can be found in the Annual Report of the Group which can be obtained from www.bloomsbury-ir.co.uk or from the Company Secretary at the address in note 15.

RESULTS AND DIVIDEND

The Company's loss after tax for the period was £460,170 (year ended 31 December 2018: profit after tax of £224,155). No dividend is recommended (2018: £nil).

DIRECTORS

The directors who held office during the year and to the date of this report were:

N Newton (appointed 10 December 2019)

P Scott-Bayfield (appointed 10 December 2019)

C Glanville (resigned 10 December 2019)

J Hogan (resigned 10 December 2019)

J Illman (resigned 10 December 2019)

C Campbell (appointed 10 June 2019 and resigned 10 December 2019)

Directors are granted an indemnity from the Company to the extent permitted by law in respect of liabilities incurred as a result of their office.

AUDIT EXEMPTION

For the period ended 29 February 2020 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members of the Company have not required the Company to obtain an audit of its accounts for the period ended 29 February 2020 in accordance with section 476.

On behalf of the board

M. Abu-Deeb

M Abu-Deeb
Director

5 February 2021

REGISTERED OFFICE
50 Bedford Square
London
WC1B 3DP

Oberon Books Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102.

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 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Oberon Books Limited
STATEMENT OF COMPREHENSIVE INCOME
For the period ended 29 February 2020

	<i>Note</i>	14 months ended 29 February 2020 £	Year ended 31 December 2018 £
TURNOVER		971,024	1,010,624
Cost of sales		(765,761)	(208,878)
GROSS PROFIT		<u>205,263</u>	<u>801,746</u>
Marketing and distribution costs		(29,938)	-
Administrative expenses		(831,347)	(577,591)
OPERATING (LOSS) / PROFIT	2	<u>(656,022)</u>	<u>224,155</u>
(LOSS) / PROFIT BEFORE TAXATION		<u>(656,022)</u>	<u>224,155</u>
Taxation	4	195,852	-
(LOSS) / PROFIT FOR THE FINANCIAL PERIOD		<u>(460,170)</u>	<u>224,155</u>
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE (LOSS) / PROFIT FOR THE PERIOD		<u>(460,170)</u>	<u>224,155</u>

The above statement of comprehensive income represents activities from the Company's continuing operations.

The notes on pages 6 to 14 form part of these financial statements.

Oberon Books Limited

BALANCE SHEET

As at 29 February 2020

Company Registration No. 02082142

	<i>Note</i>	29 February 2020 £	31 December 2018 £
FIXED ASSETS			
Intangible fixed assets	5	1,976	4,658
Tangible fixed assets	6	1,840	3,048
		<u>3,816</u>	<u>7,706</u>
CURRENT ASSETS			
Stocks	7	175,367	455,177
Debtors	8	521,251	331,409
Cash at bank and in hand		120,724	3,979
		<u>817,342</u>	<u>790,565</u>
CREDITORS: amounts due within one year	10	(533,335)	(3,375,989)
NET CURRENT ASSETS / (LIABILITIES)		<u>284,006</u>	<u>(2,585,424)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>287,823</u>	<u>(2,577,718)</u>
NET ASSETS / (LIABILITIES)		<u>287,823</u>	<u>(2,577,718)</u>
CAPITAL AND RESERVES			
Called up share capital	11	4	4
Capital contribution reserve		3,325,711	-
Profit and loss account	12	(3,037,892)	(2,577,722)
SHAREHOLDERS FUNDS		<u>287,823</u>	<u>(2,577,718)</u>

The notes on pages 6 to 14 form part of these financial statements.

For the period ending 29 February 2020 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006. No members have required the company to obtain an audit of its accounts for the period in question in accordance with section 476 of the companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of the accounts.

The financial statements on pages 3 to 14 were approved and authorised for issue by the board of directors on 5 February 2021 and are signed on its behalf by:

P. Scott-Bayfield

P Scott-Bayfield
Director

Oberon Books Limited
STATEMENT OF CHANGES IN EQUITY
As at 29 February 2020

	Called up share capital	Capital contribution reserve	Profit and loss account	Total
	£	£	£	£
Balance at 1 January 2018	4	-	(2,801,877)	(2,801,873)
Profit for the year	-	-	224,155	224,155
Other comprehensive income	-	-	-	-
Total comprehensive profit for the year	<u>-</u>	<u>-</u>	<u>224,155</u>	<u>224,155</u>
Balance at 31 December 2018	<u>4</u>	<u>-</u>	<u>(2,577,722)</u>	<u>(2,577,718)</u>
Loss for the period	-	-	(460,170)	(460,170)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	<u>-</u>	<u>-</u>	<u>(460,170)</u>	<u>(460,170)</u>
Capitalisation of Director's loan account	-	3,325,711	-	3,325,711
Balance at 29 February 2020	<u>4</u>	<u>3,325,711</u>	<u>(3,037,892)</u>	<u>287,823</u>

Oberon Books Limited

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 29 February 2020

1 ACCOUNTING POLICIES

(a) *Basis of accounting*

Oberon Books Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the UK. The financial statements have been prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom and under the historical cost convention. The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about the Group.

These financial statements were prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (“FRS 102”). The presentation currency of these financial statements is sterling. The registered address of the Company is 50 Bedford Square, London, WC1B 3DP.

The Company’s ultimate parent undertaking, Bloomsbury Publishing Plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Bloomsbury Publishing Plc are prepared in accordance with International Financial Reporting Standards as adopted by the EU. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Comparative period reconciliations for shares capital;
- Cash flow statement and related notes; and
- Disclosures in respect of key management personnel.

As the consolidated financial statements of Bloomsbury Publishing Plc include the equivalent disclosures, the Company has also taken the exemption under FRS 102 available in respect of the following disclosures:

- IFRS 2 share based payments in respect of instruments of the ultimate parent company; and
- Certain disclosures required by IFRS 7 Financial Instruments.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

(b) *Changes in accounting policies*

On 10 December 2019 Bloomsbury Publishing Plc acquired the issued share capital of the Company. The Company will continue to trade as an academic publisher under the ownership of Bloomsbury Publishing Plc. As part of the acquisition the Company has aligned its accounting policies with Bloomsbury Publishing Plc, the impact in the Statement of Comprehensive Income is a debit of £210,000.

(c) *Going Concern*

The Company participates in the ultimate parent, Bloomsbury Publishing Plc’s, centralised treasury arrangement and so shares banking arrangements with the parent and fellow subsidiaries. The Bloomsbury Group meets its day to day working capital requirements through a £6m uncommitted term loan facility and a five year revolving credit facility of between £8m and £12m depending on the timing of the year (to reflect the Group’s cash flow cycle).

The directors, having assessed the responses of the directors of the ultimate parent Bloomsbury Publishing Plc to their enquiries, have no reason to believe a material uncertainty exists that may cast significant doubt over the Group’s ability to continue as a going concern. The factors taken into account in developing this expectation include the level of cash within the business, the Group’s bank facilities, continuing sources of turnover and continuing support from the ultimate parent.

Oberon Books Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 29 February 2020

On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of Bloomsbury Publishing Plc, the Company's directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

(d) *Turnover*

Turnover represents the fair value of consideration received from the provision of goods, services and rights falling within the Company's ordinary activities, after deduction of trade discounts, value added tax and anticipated returns.

- Turnover from book publishing is recognised when title passes to the customer. A provision for anticipated returns is made based primarily on historical return rates. If these do not reflect actual returns in future periods then revenues could be understated or overstated for a particular period.
- Turnover from the sale of publishing and distribution rights, including film, paperback, electronic, overseas publishing rights, and sponsorship, is recognised when the Company has discharged its obligations under the arrangement to deliver the associated material, and the Company has received appropriately enacted contractual documentation.
- Turnover for digital subscriptions are recognised on a straight-line basis based over the period of subscription. The exception is digital platform sales with perpetual access. This is currently recognised immediately once the customer has been given access to the live platform.
- Turnover from e-book sales is recognised when content is delivered.

(e) *Intangible assets*

Product development assets are measured at cost less accumulated amortisation and accumulated impairment losses. Publishing relationships assets acquired as part of an acquisition are stated at their fair value at acquisition less accumulated amortisation and any amounts recognised in respect of impairment.

Intangible assets are amortised on a straight-line basis over the expected useful life. The annual rates used for this purpose are:

Product development	-	20 - 33% straight line basis
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(f) *Tangible assets*

Tangible assets are stated at cost less accumulated depreciation and any accumulated impairment loss.

Tangible assets are depreciated in order to write down their cost less residual value using the straight-line method over their expected useful lives at the following rates:

Office and Computer equipment	20% straight line basis
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(g) *Stocks*

The cost of work in progress and finished goods represents the amounts invoiced to the Company for origination, paper, printing and binding. Inventories are valued at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. Net realisable value represents the estimated selling price for less all estimated costs of completion and costs necessary to make the sale. Provisions are made for slow-moving and obsolete stock.

(h) *Taxation*

The tax expense represents the sum of the tax currently payable and deferred tax.

i) *Current tax*

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Oberon Books Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 29 February 2020

ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be generated to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based upon tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

iii) Current and deferred tax for the period

Current and deferred tax is charged or credited in the statement of financial position, except when it relates to items credited or charged directly to other comprehensive income or equity.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(i) Foreign currencies

Transactions in currencies other than the functional currency are recorded in the functional currency at the rates of exchange prevailing on the dates of the transactions. Assets and liabilities in foreign currencies are translated into sterling at closing rates of exchange at the balance sheet date.

Exchange differences are charged or credited to the statement of comprehensive income within administrative expenses.

(j) Trade receivables

Trade receivables and other receivables are measured on initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method, less any impairment.

(k) Trade payables

Trade payables are not interest bearing and are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

(l) Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting for all of its financial liabilities.

Dividends and distributions relating to equity instruments are debited direct to equity.

Oberon Books Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 29 February 2020

(m) *Critical accounting estimates and judgements*

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. The resultant estimates will, by definition, not necessarily equal the related actual results and may require adjustment in subsequent accounting periods. The estimates and judgements that may cause a material adjustment to the carrying amount of assets and liabilities in the next financial year are:

Turnover recognition

This is a judgment because management is required to decide whether the revenue recognition criteria has been met for a contract. Certain contracts entered into by the Company may include: the licensing or outright sale of the Company's intellectual property; the provision of ongoing consultancy services; or a bundled combination of both.

The Company considers contractual terms and makes judgements in assessing when the triggers for revenue recognition have been met, particularly that the Company has sufficiently fulfilled its obligations under the contract to allow revenue to be recognised and the allocation of revenue between multiple deliverables.

Book returns

This is an estimate as it requires management to estimate the level of expected future returns. As books are returnable by customers, the Company makes a provision against books sold in the accounting period which is then carried forward and offset against trade receivables in the statement of financial position in anticipation of book returns received subsequent to the reporting period end. The provision is calculated by reference to historical returns rates and expected future returns.

Author advances

This is an estimate as it requires management to estimate the future sales of a title. A provision is made by the Company against advances on published titles which may not be covered by royalties on anticipated future title sales or subsidiary rights receivable. At the end of each financial year a review is carried out on all published title advances. If it is unlikely that royalties from future title sales or subsidiary rights will fully earn down the advance, a provision is made in the statement of comprehensive income for the difference between the carrying value and the anticipated recoverable amount from future earnings.

Stocks

This is an estimate as it requires management to estimate the net realisable value for inventory. At the end of each reporting period a review is carried out on all published titles where inventory is held. A provision is made by the Company against unsold inventory on a title by title basis, with regard to historical net sales and expected future net sales, to value the inventories at the lower of cost and net realisable value.

(n) *Impairment of non-financial assets*

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

(o) *New standards, amendments and IFRIC interpretations*

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the period ended 29 February 2020, have had a material impact on the company.

Oberon Books Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period ended 29 February 2020

2 OPERATING (LOSS) / PROFIT

Operating (loss) / profit is stated after charging:	14 months ended 29 February 2020 £	Year ended 31 December 2018 £
Depreciation of tangible fixed assets (note 6)	2,118	5,274
Amortisation of intangible fixed assets (note 5)	2,682	-
Staff costs (note 3)	371,177	288,888
Exchange gains	(238)	(109)
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3 STAFF COSTS AND DIRECTORS' EMOLUMENTS

Staff costs of £371,177 were recharged in the period from Bloomsbury Publishing Plc (2018: £nil).

All employees are employed by Bloomsbury Publishing Plc, the ultimate parent company. Employees provide services on a group basis and all employee costs are incurred by Bloomsbury Publishing Plc. A recharge of staff costs, including directors' emoluments, is made to the Company in respect of services provided to the Company.

The director waives all entitlements to remuneration and receives no remuneration in respect of their appointment as director of the Company.

4 TAXATION

	14 months ended 29 February 2020 £	Year ended 31 December 2018 £
(a) Analysis of tax credit for the period		
UK corporation tax		
Adjustments in respect of prior years	-	-
	<hr/>	<hr/>
	-	-
Deferred taxation (note 9)		
Current period credit	(195,852)	-
Tax on loss	(195,852)	-
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Oberon Books Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period ended 29 February 2020

(b) Factors affecting the tax credit for the period

The tax credit for the period is lower than (2018: lower) the standard rate of corporation tax in the United Kingdom of 19.00% (2018: 19.00%). The differences are explained below:

	14 months ended 29 February 2020 £	Year ended 31 December 2018 £
(Loss) / profit on ordinary activities before taxation	(656,022)	224,155
(Loss) / profit on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 19.00% (2018: 19.00%)	(124,644)	42,589
Effects of:		
Expenses not deductible for tax purposes	93	-
Movement in unrecognised temporary differences	-	(42,589)
Movement in deferred tax rate	(3,660)	-
Group relief surrender	73,238	-
Movement in unprovided provisions	(140,879)	-
Total tax credit for the period	(195,852)	-

5 INTANGIBLE FIXED ASSETS

	Product development £
Cost	
At 1 January 2019	17,152
Additions	-
At 29 February 2020	17,152
Amortisation	
At 1 January 2019	12,494
Charge for the period	2,682
At 29 February 2020	15,176
Net book value	
At 29 February 2020	1,976
At 31 December 2018	4,658

Amortisation is included in cost of sales in the Income Statement.

Oberon Books Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period ended 29 February 2020

6	TANGIBLE FIXED ASSETS	Office and computer equipment £
	Cost	
	At 1 January 2019	33,639
	Additions	910
	Disposals	(25,386)
	At 29 February 2020	<u>9,163</u>
	Depreciation	
	At 1 January 2019	30,591
	Charge for the period	2,118
	Disposals	(25,386)
	At 29 February 2020	<u>7,323</u>
	Net book value	
	At 29 February 2020	<u>1,840</u>
	At 31 December 2018	<u>3,048</u>

Depreciation is included in administrative expenses in the Income Statement.

7	STOCKS	29 February 2020 £	31 December 2018 £
	Work in progress	25,869	-
	Finished goods	149,498	455,177
		<u>175,367</u>	<u>455,177</u>
8	DEBTORS	29 February 2020 £	31 December 2018 £
	Trade debtors	616	62,787
	Other debtors	29,873	268,622
	Prepayments and accrued income	294,910	-
	Deferred taxation (note 9)	195,852	-
		<u>521,251</u>	<u>331,409</u>

Oberon Books Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period ended 29 February 2020

9 DEFERRED TAX

The deferred tax asset comprises the following:

	Tax losses carried forward £	Fixed asset timing differences £	Other timing differences £	Total £
At 1 January 2019	-	-	-	-
Profit and loss account	191,176	4,470	206	195,852
At 29 February 2020	191,176	4,470	206	195,852

The deferred tax asset is included in the financial statements at a corporation tax rate of 17%.

10 CREDITORS	29 February 2020 £	31 December 2018 £
<i>Amounts falling due within one year:</i>		
Trade creditors	83,513	76,048
Accruals and deferred income	182,201	2,500
Other creditors	1,211	155,125
Other taxation and social security	14,711	6,024
Amounts owed to Group undertakings	221,040	-
Amounts owed to related parties	-	3,136,292
Sales returns liability	30,659	-
	<u>533,335</u>	<u>3,375,989</u>

Amounts due to Group undertakings are unsecured, interest free and repayable on demand.

11 CALLED UP SHARE CAPITAL	29 February 2020 £	31 December 2018 £
Allotted, called up and fully paid 4 Ordinary shares of £1 each	4	4

12 RESERVES

Profit and loss account

The profit and loss account comprises profit for the period and other items recognised directly through equity as presented on the statement of changes in equity.

Oberon Books Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 29 February 2020

13 RELATED PARTY TRANSACTIONS

As a subsidiary of Bloomsbury Publishing Plc the Company has taken advantage of the exemption in FRS 102 from disclosing transactions with other wholly owned companies within the Group headed by Bloomsbury Publishing Plc.

The Director's loan account balance of £3,325,711 as at 10 December 2019 was capitalised to the capital redemption reserve in the period.

14 ULTIMATE PARENT COMPANY

The immediate and ultimate parent company is Bloomsbury Publishing Plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the consolidated financial statements of Bloomsbury Publishing Plc may be obtained from the Company Secretary, Bloomsbury Publishing Plc, 50 Bedford Square, London WC1B 3DP.