REGISTERED NUMBER: 02094795 (England and Wales)

Strategic Report, Report of the Director and

Financial Statements

for the Year Ended 31 December 2020

for

Old Book Club Associates Limited

Contents of the Financial Statements for the Year Ended 31 December 2020

Old Book Club Associates Limited

Company Information
for the Year Ended 31 December 2020

DIRECTOR:	E Depken
REGISTERED OFFICE:	Venture House Calne Road Lyneham Chippenham SN15 4PP
REGISTERED NUMBER:	02094795 (England and Wales)
AUDITORS:	Venture House Business Service Limited Chartered Accountants and Statutory Auditors Venture House Calne Road Lyneham Chippenham SN15 4PP

Strategic Report
for the Year Ended 31 December 2020

The director presents his strategic report for the year ended 31 December 2020.

REVIEW OF BUSINESS
The purpose of the company is to resolve legacy pension issues regarding the Book Club Associates whilst part of the Aurelius Equity Opportunities SE & Co. KGaA group. Once this is resolved it is the intention of the directors to wind up the company.

There are no key performance indicators.

PRINCIPAL RISKS AND UNCERTAINTIES
Book Club Associates was facing claims by its related pension fund with regard to debt related to an imperfectly implemented equalisation of its members in the 1990's. In order to resolve the issue, Book Club Associates is seeking a rectification by court of its pension fund documentation. The application is currently finalised by the parties to the court proceedings and has good chances of success. The agreed settlement amounts payable to the pensioners are covered by funds in an escrow with the lawyers of Charles Russell Speechlys.

This company is jointly and severable liable for the pension with the group company Book Club Trading Ltd. A full provision of £652,231 is included in the accounts of this company to meet the final liabilities of the company pension scheme. This is the director's best estimate, based on actuarial calculation. Uncertainty as to the final payment therefore exists.

Legal fees in relation to the above are being incurred and fees incurred to date are accrued for in the accounts. There is also a contingency of £0.5m for future costs to resolve the pension dispute. The company has insufficient funds to meet these contingencies and is reliant on the support of the group.

The director is of the opinion that the current provision in the accounts is adequate. If the director's assertion were to be incorrect, this would alter the company's profit or loss.

A letter of intention to support has been obtained from a parent company.

It is the intention of the directors to wind up the company once the pension dispute is resolved.

The coronavirus pandemic plunged the world economy into a deep recession in 2020 and will continue to impact the global economy in 2021. However, leading institutions and organizations are more optimistic about the development of the global economy now than at any time in 2020. Other primary risks for the future development of the economy besides the coronavirus pandemic include possible geopolitical shocks and the uncertainty emanating from international trade conflicts.

The Aurelius management promptly analyses the situation of its portfolio companies in close consultation with the operating management teams of the group companies. The closeness to the group companies made it possible to devise and implement comprehensive action plans to protect the health of employees, minimise the risks to our business processes and soften the blow of the challenging external conditions at the different levels of holding companies and group companies.

ENGAGEMENT WITH EMPLOYEES
People create success. Our success is the result of the individual performance of every employee.
Respectful treatment of all employees.
Unconditional respect of human rights.
Conscious diversity and internationality of our workforce.
More jobs thanks to successful growth strategies.

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS
Corporate codex
Principles such as responsible, sustainable management are firmly embedded in the Aurelius ESG policy, including:
No investment in the arms industry.
No investment in emissions-intensive companies.
No trading in weapons or armaments, tobacco or tobacco products.
Code of Conduct for suppliers and service providers.
Anti-corruption and anti-bribery policy.
Protection and support for whistleblowers.

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS
Environment
Goal for the year 2025: Reduce Group wide CO2 emissions by 30 percent.
Measures have been introduced to permanently reduced CO2 emissions.
Reduction of flights through the increased use of video conferences and online meetings and using train travel as an alternative.
Precautions to prevent environmental damage.
CO2 offsetting of the flights of all holding company employees since the 2019 financial year.

Social commitment
Aurelius refugee initiative e.v. Aurelius has been helping refugees since 2015.
Extensive support of the START Foundation to promote outstanding young people with migration backgrounds since 2018.
Long established tradition: Christmas-season collection drive for important social projects; AURELIUS matches the donations raised by employees.

ON BEHALF OF THE BOARD:

E Depken - Director

24 November 2021

Report of the Director
for the Year Ended 31 December 2020

The director presents his report with the financial statements of the company for the year ended 31 December 2020.

DIVIDENDS
No dividends will be distributed for the year ended 31 December 2020.

DIRECTOR
E Depken held office during the whole of the period from 1 January 2020 to the date of this report.

DISCLOSURE IN THE STRATEGIC REPORT
The company has opted to disclose some items in the Strategic Report rather than the Directors Report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES
The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the director is 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 he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS
The auditors, Venture House Business Service Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

E Depken - Director

24 November 2021

Report of the Independent Auditors to the Members of Old Book Club Associates Limited

Opinion
We have audited the financial statements of Old Book Club Associates Limited (the 'company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 2020 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.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty in relation to going concern
We draw your attention to note 15, as stated, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information
The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, 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 this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the 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 Report of the Director.

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

Responsibilities of director
As explained more fully in the Statement of Director's Responsibilities set out on page four, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions were held with, and enquiries made of, management and those charged with governance with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Tax and Pensions legislation, and distributable profits legislation,

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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 Report of the Auditors.

Report of the Independent Auditors to the Members of
Old Book Club Associates Limited

Use of our 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 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.

Shoolin Yagnik (Senior Statutory Auditor)
for and on behalf of Venture House Business Service Limited
Chartered Accountants and
Statutory Auditors
Venture House
Calne Road
Lyneham
Chippenham
SN15 4PP

24 November 2021

Statement of Comprehensive Income for the Year Ended 31 December 2020

	Notes	31.12.20 £	31.12.19 £
REVENUE		-	-
Administrative expenses		(74,122)	403,784
OPERATING PROFIT/(LOSS)	4	74,122	(403,784)
Interest receivable and similar income		8,227	-
		82,349	(403,784)
Interest payable and similar expenses	5	34	-
PROFIT/(LOSS) BEFORE TAXATION		82,315	(403,784)
Tax on profit/(loss)	6	-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		82,315	(403,784)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		82,315	(403,784)

The notes form part of these financial statements

Statement of Financial Position
31 December 2020

	Notes	31.12.20 £	£	31.12.19 £	£
FIXED ASSETS					
Investments	7		50		-
CURRENT ASSETS					
Debtors	8	1,231,845		1,201,244	
Cash at bank		462		2,185	
		1,232,307		1,203,429	
CREDITORS					
Amounts falling due within one year	9	683,901		743,519	
NET CURRENT ASSETS			548,406		459,910
TOTAL ASSETS LESS CURRENT LIABILITIES			548,456		459,910
PROVISIONS FOR LIABILITIES	10		652,231		646,000
NET LIABILITIES			(103,775)		(186,090)
CAPITAL AND RESERVES					
Called up share capital	11		500,000		500,000
Retained earnings	12		(603,775)		(686,090)
SHAREHOLDERS' FUNDS			(103,775)		(186,090)

The financial statements were approved by the director and authorised for issue on 24 November 2021 and were signed by:

E Depken - Director

Statement of Changes in Equity for the Year Ended 31 December 2020

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2019	500,000	(282,306)	217,694
Changes in equity			
Total comprehensive income	-	(403,784)	(403,784)
Balance at 31 December 2019	500,000	(686,090)	(186,090)
Changes in equity			
Total comprehensive income	-	82,315	82,315
Balance at 31 December 2020	500,000	(603,775)	(103,775)

The notes form part of these financial statements

1. STATUTORY INFORMATION

Old Book Club Associates 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.

Financial Reporting Standard 102 - reduced disclosure exemptions
The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

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.

Significant judgements and estimates
In the application of the company's accounting policies, which are described in note 2, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Pension Dispute
Book Club Associates was facing claims by its related pension fund with regard to debt related to an imperfectly implemented equalisation of its members in the 1990's. In order to resolve the issue, the company is seeking a rectification by court of its pension fund documentation. The application is currently finalised by the parties to the court proceedings and has good chances of success. The agreed settlement amounts payable to the pensioners are covered by funds in an escrow with the lawyers of Charles Russell Speechlys.

This company is jointly and severable liable for the pension with the group company Book Club Trading Limited. Costs relating to the pension resolution are paid from both entities dependent on cashflow.

A full provision of £652,231 is included in the accounts of this company to meet the final liabilities of the company pension scheme along with legal fees accruals of £148,372 and contingent liabilities of £448,507. These are the director's best estimate, based on actuarial assessments and legal advice. Uncertainty as to the final payment therefore exists.Old Book Club Associates Limited and Book Club Trading Limited have insufficient funds to meet these liabilities and are reliant on the support of the group.

The director is of the opinion that the current provisions in the accounts are adequate. If the director's assertion were to be incorrect, this would alter the company's profit or loss.

A letter of intention to support has been obtained from a parent company for both companies.

continued...

2. **ACCOUNTING POLICIES - continued**

Investments in subsidiaries
Investments in subsidiary undertakings are recognised at cost.

Financial instruments
The group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 statement of financial position date.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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.

Going concern
It is the intention of the company to continue to trade until the historic pension issues are resolved. To this regard a parent company intends to offer such support as may be necessary to ensure this intention.This intention of support has been documented in a letter. Therefore the financial statements have been prepared on a going concern basis.

3. **EMPLOYEES AND DIRECTORS**

There were no staff costs for the year ended 31 December 2020 nor for the year ended 31 December 2019.

continued...

3. EMPLOYEES AND DIRECTORS - continued

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

	31.12.20	31.12.19
Employees	1	1

The director is deemed an employee.

	31.12.20	31.12.19
	£	£
Director's remuneration	-	-

4. OPERATING PROFIT/(LOSS)

The operating profit (2019 - operating loss) is stated after charging:

	31.12.20	31.12.19
	£	£
Auditors' remuneration	3,500	2,250
Auditors' remuneration for non audit work	5,200	4,050

Auditors remuneration for non audit work includes £2,050 in relation to tax compliance work underaccrued in prior years.

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.12.20	31.12.19
	£	£
Loan interest	34	-

6. TAXATION

Analysis of the tax charge
No liability to UK corporation tax arose for the year ended 31 December 2020 nor for the year ended 31 December 2019.

7. FIXED ASSET INVESTMENTS

	Shares in group undertakings
	£
COST	
Additions	50
At 31 December 2020	50
NET BOOK VALUE	
At 31 December 2020	50

continued...

7. FIXED ASSET INVESTMENTS - continued

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

BCA Pension Trust Limited
Registered office: One, Fleet Place, London, EC4M 7WS
Nature of business: Pension Trust

Class of shares:	% holding
Ordinary	50.00

	30.4.20	30.4.19
	£	£
Aggregate capital and reserves	100	100

This shareholding has been held since 3 May 2017 but was not previously recorded.

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20	31.12.19
	£	£
Other debtors	1,231,845	1,201,244

Included in other debtors is an amount of £1,181,033 held in a client account on behalf of the Company.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20	31.12.19
	£	£
Trade creditors	343,606	85,870
Amounts owed to group undertakings	185,429	206,120
Accrued expenses	154,866	451,529
	683,901	743,519

Amounts owed to group undertakings is a loan of £5,000, repayable on demand and with an interest rate of 5% from the parent company and a non interest bearing loan of £180,345 from another group company.

10. PROVISIONS FOR LIABILITIES

	31.12.20	31.12.19
	£	£
Other provisions		
Pension Provisions	652,231	646,000

	Pension provision
	£
Balance at 1 January 2020	646,000
Provided during year	6,231
Balance at 31 December 2020	652,231

continued...

10. **PROVISIONS FOR LIABILITIES - continued**

The pension provision represents the director's best estimate of costs to meet the liabilities of the BCA Pension Trust.

11. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.20 £	31.12.19 £
500,000	ordinary	£1	500,000	500,000

12. **RESERVES**

	Retained earnings £
At 1 January 2020	(686,090)
Profit for the year	82,315
At 31 December 2020	(603,775)

13. **ULTIMATE PARENT COMPANY**

Aurelius Equal Opportunities SE & Co KGaA (incorporated in Germany) is regarded by the director as being the company's ultimate parent company.

The Company is included in the group accounts prepared by the ultimate parent company, copies of which can be obtained from Ludwig-Ganghofer Strasse 6, 82031 Gruenwald, Germany.The smallest and largest group preparing consolidated accounts in which the Company's results are included is that headed by Aurelius Equity Opportunities SE & Co KGaA.

The immediate parent company is BCA Beteiligungs GmbH.

14. **CONTINGENT LIABILITIES**

£448,507 of legal costs and potential liabilities in relation to the resolution of the historic pension claim have been identified by the legal advisors and reviewed by the director. These costs are dependent on the outcome of the future court case and it is the opinion of the director that these represents the best estimate at this time. Depending on the outcome of the court case, the costs could be higher or lower than estimated.

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15. GOING CONCERN

Book Club Associates was facing claims by its related pension fund with regard to debt related to an imperfectly implemented equalisation of its members in the 1990's. In order to resolve the issue, Book Club Associates is seeking a rectification by court of its pension fund documentation. The application is currently finalised by the parties to the court proceedings and has good chances of success. The agreed settlement amounts payable to the pensioners are covered by funds in an escrow with the lawyers of Charles Russell Speechlys.

This company is jointly and severable liable for the pension with the group company Book Club Trading Limited. A full provision of £652,231 is included in the accounts of this company to meet the final liabilities of the company pension scheme. This is the director's best estimate, based on actuarial calculation. Uncertainty as to the final payment therefore exists.

Legal fees in relation to the above are being incurred and fees incurred to date are accrued for in the accounts. There is also a contingency of £0.5m for future costs to resolve the pension dispute.

The director is of the opinion that the current provision in the accounts is adequate. If the director's assertion were to be incorrect, this would alter the company's profit or loss.

A letter of intention to support has been obtained from a parent company for both this company and Book Club Trading Limited.

The balance remaining on the escrow account after settling the known liabilities and the pension provision of £652,231 is £36,824. Old Book Club Associates Limited and Book Club Trading Limited therefore have insufficient funds to meet the future liabilities without the financial and operational support of the group. If the group does not support the companies to meet any future liabilities, it is likely that both of the companies will file for bankruptcy.

It is the intention of the directors to wind up the company once the pension dispute is resolved.

The coronavirus pandemic plunged the world economy into a deep recession in 2020 and will continue to impact the global economy in 2021. However, leading institutions and organizations are more optimistic about the development of the global economy now than at any time in 2020. Other primary risks for the future development of the economy besides the coronavirus pandemic include possible geopolitical shocks and the uncertainty emanating from international trade conflicts.

The Aurelius management promptly analyses the situation of its portfolio companies in close consultation with the operating management teams of the group companies. The closeness to the group companies made it possible to devise and implement comprehensive action plans to protect the health of employees, minimise the risks to our business processes and soften the blow of the challenging external conditions at the different levels of holding companies and group companies.