

**GARNET PUBLISHING LIMITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE PERIOD ENDED 30 APRIL 2017**

**GARNET PUBLISHING LIMITED**  
**REGISTERED NUMBER: 02587010**

**BALANCE SHEET**  
**AS AT 30 APRIL 2017**

		30 April 2017 £	As restated 31 December 2015 £
	<b>Note</b>		
<b>Fixed assets</b>			
Tangible assets	4	23,483	24,387
		<u>23,483</u>	<u>24,387</u>
<b>Current assets</b>			
Debtors	5	1,287,958	122,092
Cash at bank and in hand	6	90,487	55,557
		<u>1,378,445</u>	<u>177,649</u>
Creditors: amounts falling due within one year	7	(1,166,560)	(5,300,338)
<b>Net current assets/(liabilities)</b>		<u>211,885</u>	<u>(5,122,689)</u>
<b>Total assets less current liabilities</b>		<u>235,368</u>	<u>(5,098,302)</u>
<b>Provisions for liabilities</b>			
Other provisions	8	(3,771)	(3,771)
		<u>(3,771)</u>	<u>(3,771)</u>
<b>Net assets/(liabilities)</b>		<u><u>231,597</u></u>	<u><u>(5,102,073)</u></u>
<b>Capital and reserves</b>			
Called up share capital	9	5,201,000	1,000
Profit and loss account		(4,969,403)	(5,103,073)
		<u><u>231,597</u></u>	<u><u>(5,102,073)</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....  
**Mr K Khayat**  
Director

Date: 31 January 2018

**GARNET PUBLISHING LIMITED**  
**REGISTERED NUMBER: 02587010**

**BALANCE SHEET (CONTINUED)**  
**AS AT 30 APRIL 2017**

The notes on pages 3 to 10 form part of these financial statements.

## **GARNET PUBLISHING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2017**

#### **1. General information**

Garnet Publishing Limited is a limited liability company incorporated in England and Wales and its registered office is 8 Southern Court, South Street, Reading, RG1 4QS.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### **2.2 Going concern**

As at 30 April 2017 the company had net assets of £231,597 (31 December 2015: net liabilities of £5,089,705) and is fully reliant on the support of its ultimate parent company, International Investments S.A.L, for ongoing support.

This support is provided through ongoing funding of all expenses relating to the education business of the company. An agreement dated 2 March 1999 is in place with International Investments S.A.L which states that the parent company will reimburse the company for all expenses incurred in this division of the business.

The directors see no reason why the parent company will not continue to provide this support for the foreseeable future and for this reason the accounts have been prepared on a going concern basis.

##### **2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

###### **Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Turnover from educational titles represent a sales commission of 7% which is payable from the company's parent, International Investments. The company acts as agent for the parent company in this respect.

Turnover from publishing titles represent the values of goods supplied during the year excluding value added tax and trade discounts.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2017

**2. Accounting policies (continued)**

**2.4 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant & machinery	-20%
Motor vehicles	-25%
Fixtures & fittings	-20%
Computer equipment	-20%
Warehouse equipment	-25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

**2.5 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.6 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.7 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

**2.8 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2017

2. Accounting policies (continued)

2.9 Foreign currency translation

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.10 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.12 Pensions

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2017

**2. Accounting policies (continued)**

**2.13 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

**2.14 Taxation**

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**3. Employees**

The average monthly number of employees, including directors, during the period was 25 (2015 - 28).

**GARNET PUBLISHING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2017**

**4. Tangible fixed assets**

	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Warehouse equipment £	Total £
<b>Cost or valuation</b>						
At 1 January 2016	10,699	4,850	77,965	244,801	2,919	341,234
Additions	7,051	6,100	-	2,760	-	15,911
Disposals	-	(4,850)	-	-	-	(4,850)
At 30 April 2017	<u>17,750</u>	<u>6,100</u>	<u>77,965</u>	<u>247,561</u>	<u>2,919</u>	<u>352,295</u>
<b>Depreciation</b>						
At 1 January 2016	7,879	3,942	76,183	225,924	2,919	316,847
Charge for the period on owned assets	3,281	1,679	1,222	10,133	-	16,315
Disposals	-	(4,350)	-	-	-	(4,350)
At 30 April 2017	<u>11,160</u>	<u>1,271</u>	<u>77,405</u>	<u>236,057</u>	<u>2,919</u>	<u>328,812</u>
<b>Net book value</b>						
At 30 April 2017	<u>6,590</u>	<u>4,829</u>	<u>560</u>	<u>11,504</u>	<u>-</u>	<u>23,483</u>
<b>At 31 December 2015</b>	<u>2,820</u>	<u>908</u>	<u>1,782</u>	<u>18,877</u>	<u>-</u>	<u>24,387</u>

**5. Debtors**

	30 April 2017 £	31 December 2015 £
Trade debtors	60,655	28,409
Amounts owed by group undertakings	1,176,439	29,410
Other debtors	12,663	28,971
Prepayments and accrued income	38,201	35,302
	<u>1,287,958</u>	<u>122,092</u>



**GARNET PUBLISHING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2017**

**6. Cash and cash equivalents**

	<b>30 April 2017 £</b>	31 December 2015 £
Cash at bank and in hand	<u><b>90,487</b></u>	<u><b>55,557</b></u>

**7. Creditors: Amounts falling due within one year**

	<b>30 April 2017 £</b>	As restated 31 December 2015 £
Trade creditors	<b>212,230</b>	90,857
Amounts owed to group undertakings	<b>882,589</b>	5,050,662
Other taxation and social security	<b>14,651</b>	23,534
Other creditors	<b>13,766</b>	31,693
Accruals and deferred income	<b>43,324</b>	103,592
	<u><b>1,166,560</b></u>	<u><b>5,300,338</b></u>

**8. Provisions**

	<b>Provisions £</b>
At 1 January 2016	<u><b>3,771</b></u>
<b>At 30 April 2017</b>	<u><b>3,771</b></u>

**GARNET PUBLISHING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**9. Share capital**

	<b>30 April 2017 £</b>	31 December 2015 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
1,000 Ordinary shares of £1 each	<b>1,000</b>	1,000
5,200,000 Redeemable shares of £1 each	<b>5,200,000</b>	-
	<hr/> <b>5,201,000</b> <hr/>	<hr/> 1,000 <hr/>

On 23 April 2017 the company issued 5,200,000 redeemable shares.

The redeemable shares have no set repayment date and are only redeemable at the option of the company. There is no premium payable on redemption.

**10. Prior year adjustment**

Prior year adjustment is due to FRS102 first time adoption. See note 14.

**11. Pension commitments**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £32,797 (2015: £23,672).

Contributions payable to the fund at the balance sheet date totalled £7,937 (31 December 2015: £8,320).

**12. Commitments under operating leases**

At 30 April 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>30 April 2017 £</b>	31 December 2015 £
Not later than 1 year	<b>40,000</b>	17,500
Later than 1 year and not later than 5 years	<b>210,000</b>	-
	<hr/> <b>250,000</b> <hr/>	<hr/> 17,500 <hr/>

**GARNET PUBLISHING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2017**

**13. Controlling party**

The company's ultimate parent company is International Investments S.A.L, a company incorporated in Lebanon. No group accounts including Garnet Publishing Limited are available to the public.

The ultimate controlling party is considered to be Karim Khayat by virtue of his shareholding in the ultimate parent company.

**14. First time adoption of FRS 102**

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2016. The impact of the transition to FRS 102 is as follows:

**Reconciliation of equity at 1 January 2015**

	Note	£
Equity at 1 January 2015 under previous UK GAAP		(5,015,921)
Holiday pay accrual	1	(16,519)
		<hr/>
<b>Equity shareholders funds at 1 January 2015 under FRS 102</b>		<b>(5,032,440)</b>

**Reconciliation of equity at 31 December 2015**

	Note	£
Equity at 31 December 2015 under previous UK GAAP		(5,089,705)
Holiday pay accrual	1	(12,368)
		<hr/>
<b>Equity shareholders funds at 31 December 2015 under FRS 102</b>		<b>(5,102,073)</b>

**Reconciliation of profit and loss account for the year ended 31 December 2015**

		£
Profit for the year under previous UK GAAP		(74,784)
Holiday pay accrual	1	4,151
		<hr/>
<b>Loss for the period ended 31 December 2015 under FRS 102</b>		<b>(70,633)</b>

The following were changes in accounting policies arising from the transition to FRS 102:

1 Previously the company did not accrue for holiday pay. In line with the requirements of FRS102 the company has retrospectively adjusted for holiday pay.

**15. Auditor's information**

The auditor's report on the financial statements for the period ended 30 April 2017 was unqualified.

The audit report was signed on 31 January 2018 by Alexander Peal BSc (Hons) FCA DChA (Senior statutory auditor) on behalf of James Cowper Kreston.

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