

Strategic Report, Report of the Director and

Financial Statements

for the Year Ended 31 December 2019

for

Book Club Trading Limited

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for the Year Ended 31 December 2019**

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Book Club Trading Limited

Company Information
for the Year Ended 31 December 2019

DIRECTOR: E Depken

REGISTERED OFFICE: Venture House
Calne Road
Lyneham
Chippenham
SN15 4PP

REGISTERED NUMBER: 03528183 (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 2019

The director presents his strategic report for the year ended 31 December 2019.

REVIEW OF BUSINESS

The purpose of the company is to resolve legacy issues regarding the Book Club Associates whilst part of the Aurelius Equity Opportunities SE & Co. KGaA group. The last issue to resolve regards the pension. 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 a not perfectly 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 Old Book Club Associates Ltd. A full provision of £646,000 is included in the accounts for Old Book Club Associates Limited to meet the final liabilities of the company pension scheme. This is the director's best estimate only, based on payments made after the year end. Uncertainty as to the final payment therefore exists. The provision and accruals for these costs are in Old Book Club Associated Ltd.

The directors are 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 the ultimate parent company.

According to experts, the continuing and worsening coronavirus crisis at the time of this report will have considerable effects on the development of the global economy. In an economic forecast published in early March 2020, the Organization for Economic Cooperation and Development (OECD) concludes that the continuing coronavirus crisis represents the greatest risk to the global economy since the global financial crisis and that economic activity will decline sharply throughout the world in the first half of the year. The coronavirus crisis poses currently not yet quantifiable risks for general economic conditions and therefore also for AURELIUS. It is not possible to estimate the actual medium-term and long-term effects of the coronavirus crisis on the AURELIUS Group at the present time. Therefore, there is a risk that it may not be possible to meet the targets set in the companies' business plans. There is a risk that impairments may need to be recognized in intangible assets, property, plant and equipment or trade receivables and a risk that the portfolio companies may require additional funding. There is also a risk that potential sales of companies cannot be realized or only realized at a later time than planned. In view of the fluid state of developments, the Executive Board will continually re-assess the strategy and orientation of AURELIUS and its portfolio 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.

Strategic Report
for the Year Ended 31 December 2019

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

20 October 2020

Report of the Director
for the Year Ended 31 December 2019

The director presents his report with the financial statements of the company for the year ended 31 December 2019.

DIVIDENDS

An interim dividend of 51p per share was paid on 31 July 2019. The director recommends that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2019 will be £ 120,000 .

DIRECTOR

E Depken held office during the whole of the period from 1 January 2019 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.

ON BEHALF OF THE BOARD:

E Depken - Director

20 October 2020

Report of the Independent Auditors to the Members of Book Club Trading Limited

Opinion

We have audited the financial statements of Book Club Trading Limited (the 'company') for the year ended 31 December 2019 which comprise the Income Statement, Other 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 2019 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 relating to going concern

We draw your attention to note 12 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.

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 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 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.

Report of the Independent Auditors to the Members of Book Club Trading Limited

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.

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.

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.

Christopher Baylis (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

4 November 2020

Income Statement
for the Year Ended 31 December 2019

	Notes	31.12.19 £	31.12.18 £
REVENUE		-	-
Administrative expenses		<u>(150,807)</u>	<u>170,339</u>
OPERATING PROFIT/(LOSS) and PROFIT/(LOSS) BEFORE TAXATION		150,807	(170,339)
Tax on profit/(loss)	5	<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>150,807</u>	<u>(170,339)</u>

Other Comprehensive Income
for the Year Ended 31 December 2019

	Notes	31.12.19 £	31.12.18 £
PROFIT/(LOSS) FOR THE YEAR		150,807	(170,339)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>150,807</u>	<u>(170,339)</u>

Statement of Financial Position
31 December 2019

	Notes	31.12.19 £	31.12.18 £
CURRENT ASSETS			
Debtors	7	206,121	167,997
Cash at bank		<u>24,009</u>	<u>31,637</u>
		230,130	199,634
CREDITORS			
Amounts falling due within one year	8	<u>10,284</u>	<u>10,595</u>
NET CURRENT ASSETS		<u>219,846</u>	<u>189,039</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>219,846</u>	<u>189,039</u>
CAPITAL AND RESERVES			
Called up share capital	9	233,728	500,000
Retained earnings	10	<u>(13,882)</u>	<u>(310,961)</u>
SHAREHOLDERS' FUNDS		<u>219,846</u>	<u>189,039</u>

The financial statements were approved by the director and authorised for issue on 20 October 2020 and were signed by:

E Depken - Director

Statement of Changes in Equity
for the Year Ended 31 December 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2018	500,000	(140,622)	359,378
Changes in equity			
Total comprehensive income	-	(170,339)	(170,339)
Balance at 31 December 2018	500,000	(310,961)	189,039
Changes in equity			
Reduction in share capital	(266,272)	266,272	-
Dividends	-	(120,000)	(120,000)
Total comprehensive income	-	150,807	150,807
Balance at 31 December 2019	233,728	(13,882)	219,846

Notes to the Financial Statements
for the Year Ended 31 December 2019

1. STATUTORY INFORMATION

Book Club Trading 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 exemptions 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;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Significant judgements and estimates

Book Club Associates was facing claims by its related pension fund with regard to debt related to a not perfectly 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 Old Book Club Associates Ltd. A full provision of £646,000 is included in the accounts for Old Book Club Associates Limited to meet the final liabilities of the company pension scheme. This is the director's best estimate only, based on payments made after the year end. Uncertainty as to the final payment therefore exists. The provision and accruals for these costs are in Old Book Club Associated Ltd.

The directors are 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 the ultimate parent company.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2019**

3. EMPLOYEES AND DIRECTORS

There were no staff costs for the year ended 31 December 2019 nor for the year ended 31 December 2018.

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

	31.12.19	31.12.18
Employees	<u>1</u>	<u>1</u>
Director's remuneration	<u>£ -</u>	<u>£ -</u>

4. OPERATING PROFIT/(LOSS)

The operating profit (2018 - operating loss) is stated after charging:

	31.12.19 £	31.12.18 £
Auditors' remuneration	2,250	2,250
Auditors' remuneration for non audit work	<u>4,050</u>	<u>3,750</u>

Costs relating to the pension settlement are to be paid by Old Book Club Associates Limited. In 2018 further costs of £158,123 were provided for. This was reversed in 2019.

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 December 2019 nor for the year ended 31 December 2018.

Reconciliation of total tax charge included in profit and loss

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

	31.12.19 £	31.12.18 £
Profit/(loss) before tax	<u>150,807</u>	<u>(170,339)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	28,653	(32,364)
Effects of:		
Utilisation of tax losses	(28,653)	-
tax losses not utilised	<u>-</u>	<u>32,364</u>
Total tax charge	<u>-</u>	<u>-</u>

6. DIVIDENDS

	31.12.19 £	31.12.18 £
ordinary shares of £1 each		
Interim	<u>120,000</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19	31.12.18
	£	£
Amounts owed by group undertakings	<u>206,121</u>	<u>167,997</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19	31.12.18
	£	£
Trade creditors	4,284	3,396
Accrued expenses	<u>6,000</u>	<u>7,199</u>
	<u>10,284</u>	<u>10,595</u>

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.19	31.12.18
			£	£
500,000	ordinary	£1	<u>233,728</u>	<u>500,000</u>

10. RESERVES

	Retained earnings £
At 1 January 2019	(310,961)
Profit for the year	150,807
Dividends	(120,000)
Reduction in share capital	<u>266,272</u>
At 31 December 2019	<u>(13,882)</u>

11. ULTIMATE PARENT COMPANY

Aurelius Equity 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 Stasse 6, 82031 Grunwald.

The parent company is BCA Beteiligungs GmbH.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

12. GOING CONCERN

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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.