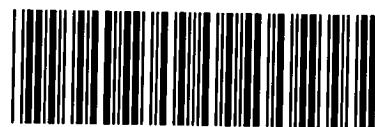


Company Registration No. 06695582 (England and Wales)

CAPSTONE GLOBAL LIBRARY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
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CAPSTONE GLOBAL LIBRARY LIMITED

COMPANY INFORMATION

Directors	Mr J Coughlan Mr R Coughlan
Secretary	Mr R Coughlan
Company number	06695582
Registered office	264 Banbury Road Oxford OX2 7DY
Auditor	Shaw Gibbs Limited 264 Banbury Road Oxford OX2 7DY

CAPSTONE GLOBAL LIBRARY LIMITED

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CAPSTONE GLOBAL LIBRARY LIMITED

BALANCE SHEET


AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Intangible assets	3		45,108		243,218
Tangible assets	4		30,200		43,989
			<u>75,308</u>		<u>287,207</u>
Current assets					
Stocks		913,138		1,098,968	
Debtors	5	1,038,483		1,324,652	
Cash at bank and in hand		359,570		376,817	
		<u>2,311,191</u>		<u>2,800,437</u>	
Creditors: amounts falling due within one year	6	(502,632)		(711,316)	
Net current assets			<u>1,808,559</u>		<u>2,089,121</u>
Total assets less current liabilities			<u>1,883,867</u>		<u>2,376,328</u>
Creditors: amounts falling due after more than one year	7		(341,531)		(226,653)
Net assets			<u><u>1,542,336</u></u>		<u><u>2,149,675</u></u>
Capital and reserves					
Called up share capital	8		100		100
Other reserves			8,738,435		8,738,435
Profit and loss reserves			(7,196,199)		(6,588,860)
Total equity			<u><u>1,542,336</u></u>		<u><u>2,149,675</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 28/04/2017 and are signed on its behalf by:



 Mr R Coughlan
 Director

Company Registration No. 06695582

CAPSTONE GLOBAL LIBRARY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Capstone Global Library Limited is a private company limited by shares incorporated in England and Wales. The registered office is 264 Banbury Road, Oxford, OX2 7DY.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2016 are the first financial statements of Capstone Global Library Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

The company incurred a net loss during the year ended 31 December 2016. The company is reliant on continued support from its parent company.

After making enquiries and considering the uncertainties, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Revenue from the sale of books is recognised when the significant risks and rewards of ownership of the books have passed to the buyer (usually on dispatch of the books), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

CAPSTONE GLOBAL LIBRARY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.4 Pre-publication costs

Publication costs include one time expenses associated with developing and producing new or revised book publications, which include editorial expenses, author fees, prepress, photograph expenses, title right charges, royalty fees and any other costs incurred up to completion of the publication. Prepublication costs are amortised over a three-year period, which approximates the lives of the related book publications, using a straight line method, which approximates the estimated sales cycle of the related books.

Disposals represent pre-publication costs of titles with a net realisable value of £nil and which are no longer in print.

Amortisation charges in respect of prepublication costs are accounted for as a direct cost of sale.

Costs incurred in the UK but relating to future US title revenue streams are charged to the intercompany account on a monthly basis.

Pre-publication costs

3 years straight line

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Equipment

1 - 10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. 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 years 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 by the reporting end date.

CAPSTONE GLOBAL LIBRARY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.8 Foreign exchange

Assets, liabilities and transactions in foreign currencies are principally held between group companies and are translated into sterling at the rates agreed and fixed between group companies. The exchange rates agreed and fixed between the group companies are linked with published exchange rates. Exchange differences are taken into account in arriving at the operating profit.

1.9 Royalty advances

Advances of royalties to authors are included within trade debtors when the advance is paid, less any provision required to adjust the advance to its net realisable value.

1.10 Product development allocations

As of January 2015 the UK legal entity ceased to incur any new product development costs in relation to new publishing. Any costs incurred for staff members based in the UK office were subsequently charged to the US as part of a service provision arrangement.

The UK paid an intercompany royalty against all sales relating to the new publishing, hence the reduction in Prepublication costs on the balance sheet and the increase in royalties.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 31 (2015 - 32).

3 Intangible fixed assets

	Other £
Cost	
At 1 January 2016	2,428,350
Disposals	(722,729)
At 31 December 2016	1,705,621
Amortisation and impairment	
At 1 January 2016	2,185,132
Amortisation charged for the year	198,110
Disposals	(722,729)
At 31 December 2016	1,660,513
Carrying amount	
At 31 December 2016	45,108
At 31 December 2015	243,218

CAPSTONE GLOBAL LIBRARY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

4 Tangible fixed assets

	Equipment £
Cost	
At 1 January 2016	130,439
Additions	138
Disposals	(1,186)
At 31 December 2016	129,391
Depreciation and impairment	
At 1 January 2016	86,449
Depreciation charged in the year	13,928
Eliminated in respect of disposals	(1,186)
At 31 December 2016	99,191
Carrying amount	
At 31 December 2016	30,200
At 31 December 2015	43,989

5 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	865,526	1,045,949
Other debtors	172,957	278,703
	<u>1,038,483</u>	<u>1,324,652</u>

6 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	128,660	148,482
Other creditors	373,972	562,834
	<u>502,632</u>	<u>711,316</u>

7 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Other creditors	<u>341,531</u>	<u>226,653</u>

CAPSTONE GLOBAL LIBRARY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

8 Called up share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Lorna Watson.

The auditor was Shaw Gibbs Limited.

10 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2016 £	2015 £
Within one year	61,520	61,520
Between two and five years	326,308	122,703
	387,828	184,223