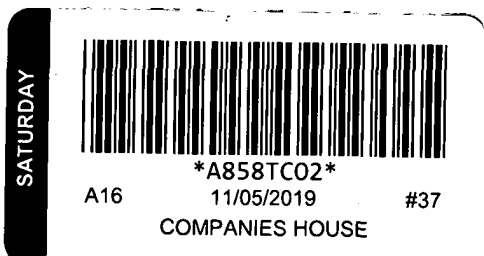


Company Registration No. 06695582 (England and Wales)

CAPSTONE GLOBAL LIBRARY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
PAGES FOR FILING WITH REGISTRAR



CAPSTONE GLOBAL LIBRARY LIMITED

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CAPSTONE GLOBAL LIBRARY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	4		34,233		59,235
Current assets					
Stocks		821,953		994,542	
Debtors	5	680,340		888,152	
Cash at bank and in hand		717,144		192,181	
		2,219,437		2,074,875	
Creditors: amounts falling due within one year	6	(362,627)		(535,920)	
Net current assets			1,856,810		1,538,955
Total assets less current liabilities			1,891,043		1,598,190
Creditors: amounts falling due after more than one year	7		(1,068,262)		(822,027)
Net assets			822,781		776,163
Capital and reserves					
Called up share capital	8		100		100
Other reserves			8,738,435		8,738,435
Profit and loss reserves			(7,915,754)		(7,962,372)
Total equity			822,781		776,163

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 and are signed on its behalf by:



 Mr R Coughlan
 Director

Company Registration No. 06695582

CAPSTONE GLOBAL LIBRARY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Share capital £	Capital contribution £	Profit and loss reserves £	Total £
Balance at 1 January 2017		100	8,738,435	(7,196,199)	1,542,336
Year ended 31 December 2017:					
Loss for the year		-	-	(766,173)	(766,173)
Other comprehensive income:					
Total comprehensive income for the year		-	-	(766,173)	(766,173)
Balance at 31 December 2017		100	8,738,435	(7,962,372)	776,163
Year ended 31 December 2018:					
Profit for the year		-	-	46,618	46,618
Other comprehensive income:					
Total comprehensive income for the year		-	-	46,618	46,618
Balance at 31 December 2018		100	8,738,435	(7,915,754)	822,781

CAPSTONE GLOBAL LIBRARY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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.

1.2 Going concern

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.

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. Pre-publication 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 which are no longer in print.

Amortisation charges in respect of pre-publication 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
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CAPSTONE GLOBAL LIBRARY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

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
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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 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Taxation

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

CAPSTONE GLOBAL LIBRARY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

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.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.11 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.

1.12 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.

1.13 Product development allocations

The company does not incur any direct Product development spend on new publishing lines. Content is licensed from its US parent company on an Intercompany royalty basis.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 16 (2017 - 23).

CAPSTONE GLOBAL LIBRARY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

3 Intangible fixed assets

	Pre-publication costs £
Cost	
At 1 January 2018	1,282,698
Disposals	(1,060,153)
At 31 December 2018	222,545
Amortisation and impairment	
At 1 January 2018	1,282,698
Disposals	(1,060,153)
At 31 December 2018	222,545
Carrying amount	
At 31 December 2018	-
At 31 December 2017	-

The above disposals represent pre-publication costs of titles which are no longer in print.

4 Tangible fixed assets

	Equipment £
Cost	
At 1 January 2018	132,978
Additions	1,685
Disposals	(18,210)
At 31 December 2018	116,453
Depreciation and impairment	
At 1 January 2018	73,743
Depreciation charged in the year	26,687
Eliminated in respect of disposals	(18,210)
At 31 December 2018	82,220
Carrying amount	
At 31 December 2018	34,233
At 31 December 2017	59,235

CAPSTONE GLOBAL LIBRARY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

5 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	610,101	737,339
Other debtors	70,239	150,813
	<u>680,340</u>	<u>888,152</u>

6 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	81,102	235,516
Other creditors	281,525	300,404
	<u>362,627</u>	<u>535,920</u>

7 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Parent undertaking	<u>1,068,262</u>	<u>822,027</u>

8 Called up share capital

	2018 £	2017 £
Ordinary share capital Issued and fully paid 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>

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.

CAPSTONE GLOBAL LIBRARY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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:

2018	2017
£	£
170,882	196,886
<u>170,882</u>	<u>196,886</u>
<u>170,882</u>	<u>196,886</u>