

Company Registration No: 08787253

BATSFORD BOOKS HOLDINGS LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

SATURDAY



ABH3VLHD

A08

19/11/2022

#193

COMPANIES HOUSE

BATSFORD BOOKS HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS

P Powell
V Grylls

SECRETARY

Z Hanks

COMPANY NUMBER

08787253

REGISTERED OFFICE

43 Great Ormond Street
London
England
WC1N 3HZ

ACCOUNTANTS

RSM UK Audit LLP
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

COMPANY STATEMENT OF FINANCIAL POSITION

AT 28 FEBRUARY 2022

	Notes	2022	2021
		£	£
Fixed assets			
Tangible Assets	4	3,038,665	3,038,665
Investments	5	<u>2,687,419</u>	<u>2,687,419</u>
		5,726,084	5,726,084
Current assets			
Debtors	7	214,970	308,474
Cash at bank and in hand		4,278	1,928
		<u>219,248</u>	<u>310,402</u>
Creditors: amounts falling due within one year	8	(2,567,129)	(2,906,196)
Net current liabilities		(2,347,881)	(2,595,794)
Total assets less current liabilities		<u>3,378,203</u>	<u>3,130,290</u>
Creditors: amounts falling due after more than one year	9	(389,635)	-
Provisions for liabilities	10	(112,315)	(79,172)
Net assets		<u>2,876,253</u>	<u>3,051,118</u>
Capital and reserves			
Called up share capital	11	927,501	927,501
Profit and loss account	11	1,948,752	2,123,617
Total equity		<u>2,876,253</u>	<u>3,051,118</u>

For the year ending 28 February 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies, and the members have not required the company to obtain an audit of its financial statements for the year in accordance with section 476.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small Companies' regime within Part 15 of the Companies Act 2006.

These financial statements have been prepared in accordance with the provisions applicable to The small companies regime and the option not to file the Profit and Loss Account has been taken.

The financial statements were approved and authorised for issue by the board of directors on 25 October 2022 and are signed on its behalf by:

Pony Powell

P Powell
Director

BATSFORD BOOKS HOLDINGS LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 28 FEBRUARY 2022

1. Accounting policies

Company information

Batsford Books Holdings Limited ("the Company") is a company limited by shares domiciled and incorporated in England. The address of the company's registered office and principal place of business is 43 Great Ormond Street, London, England, WC1N 3HZ.

1.1 Basis of accounting

These financial statements have been prepared in accordance with FRS 102 Section 1a "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

1.2 Group Accounts not prepared

The company has taken advantage of the exemption in section 398 of the Companies Act 2006 for the requirement to prepare consolidated financial statements on the basis that it is a small group.

1.3 Going concern

The directors have reviewed the forecasts for the forthcoming 12 months from the signing of these accounts and based on the existing cash and projected income and expenditure they are satisfied the Company has adequate resources to continue in operations for the foreseeable future. The directors make use of sensitised forecasts to ensure that the Company will be able to operate given a worse case scenario. These are regularly reviewed by the Board of Directors and also in management meetings. Cashflow is monitored on a daily basis.

Accordingly, the going concern basis has been used in preparing these accounts.

The directors ensure that compliance with banking covenants are met on a regular basis, and the directors do not expect any breaches in the foreseeable future. The loan agreement with Coutts has been renewed for a period of five years from 9 December 2021.

1.4 Functional and presentational currencies

The financial statements are presented in sterling which is also the functional currency of the Company.

1.5 Foreign currencies

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

BATSFORD BOOKS HOLDINGS LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 28 FEBRUARY 2022

1.6 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services to external customers and group companies in the ordinary nature of the business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax.

1.7 Other income

Royalty income

Royalty income is included on a receivable basis, calculated on sales of books arising during each accounting period as reported by licensees.

1.8 Government Grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met, and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.9 Goodwill

Acquisitions of businesses are accounted for using the acquisition method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. Goodwill is debited to administrative expenses in the periods expected to benefit, which the directors consider to be 5 years.

1.10 Intangible assets other than goodwill

Intangible assets other than goodwill are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is provided on all intangible assets other than goodwill at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:-

Software	50%
----------	-----

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

BATSFORD BOOKS HOLDINGS LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 28 FEBRUARY 2022

1.11 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 provided on all tangible fixed assets at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows: -

Motor Vehicles	33%
Fixtures and fittings	20% to 50%
Land	This is not depreciated.
Buildings	Depreciation is not provided on buildings as in view of the high residual value, it would be immaterial.

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

1.12 Fixed asset investments

Company

In the separate accounts of the Company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairments losses or reversals of impairment losses are recognised immediately in profit or loss.

1.13 Impairment of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Group estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

1.14 Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

BATSFORD BOOKS HOLDINGS LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 28 FEBRUARY 2022

1.14 Taxation (continued)

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income or expenses from subsidiaries that will be assessed to or allow for tax in a future period except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.15 Leases

All leases are operating leases, and the annual rentals are charged to profit or loss on a straight line basis over the lease term.

Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight-line basis over the lease term.

1.16 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 are capitalised as an intangible fixed asset or a tangible fixed asset.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

1.18 Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument and are offset only when the company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

BATSFORD BOOKS HOLDINGS LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 28 FEBRUARY 2022

1.18 Financial instruments (continued)

Financial assets

Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

A returns provision is accounted for as a reduction from trade debtors.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Creditors

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised based on the effective interest method and is included in interest payable and other similar charges.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

BATSFORD BOOKS HOLDINGS LIMITED**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS****FOR THE YEAR ENDING 28 FEBRUARY 2022**

2 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Deferred taxation

Deferred tax assets and liabilities are assessed on the basis of assumptions regarding the future, the likelihood that assets will be realised, and liabilities will be settled, and estimates as to the timing of those future events and as to the future tax rates that will be applicable.

3. Employees and directors

There were no persons or directors directly employed by Batsford Books Holdings Limited during the year (2021: nil).

4. Tangible fixed assets

Company	Land and Buildings £
Cost:	
At 1 March 2021	3,038,665
Additions	-
At 28 February 2022	3,038,665
Depreciation:	
At 1 March 2021	-
Charge for year	-
At 28 February 2022	-
Net book value:	
At 28 February 2022	3,038,665
At 28 February 2021	3,038,665

BATSFORD BOOKS HOLDINGS LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 28 FEBRUARY 2022

5. Fixed asset investments

Company	Shares in group undertakings £
Cost and net book value at 1 March 2021 and 28 February 2022	2,687,419

6. Subsidiary undertakings

The subsidiary companies, all of which are wholly owned, are:

	Principal activity during the year	Proportion of nominal value held	Class of shares
Batsford Books Group Limited	Book publishing	100%	Ordinary
B.T. Batsford Limited*	Book publishing	100%	Ordinary
David Bennett Books Limited*	Book publishing	100%	Ordinary, 'A' ordinary, preference and deferred
BT Batsford Limited*	Book publishing	100%	Ordinary and preference
Anova Repose Limited*	Non-trading	100%	Ordinary
Anova Digital Limited*	Non-trading	100%	Ordinary
Books Batsford Limited*	Non-trading	100%	Ordinary
Collins & Brown Limited*	Non-trading	100%	Ordinary
Batsford Books Limited*	Non-trading	100%	Ordinary

* held through subsidiary companies

The registered office of each subsidiary is 43 Great Ormond Street, London WC1N 3HZ.

7. Debtors

	Company	
	2022	2021
	£	£
Amounts falling due within one year:		
Amounts owed from group undertakings	214,969	308,473
Called up share capital not paid	1	1
	<u>214,970</u>	<u>308,474</u>

8. Creditors: Amounts falling due within one year

	Company	
	2022	2021
	£	£
Bank loans and overdrafts	98,500	591,000
Other taxation and social security costs	42,772	-
Amounts owed to group undertakings	2,415,126	2,302,281
Accruals and deferred income	10,731	12,915
	<u>2,567,129</u>	<u>2,906,196</u>

BATSFORD BOOKS HOLDINGS LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 28 FEBRUARY 2022

9. Creditors: Amounts falling due after more than one year

	Company	
	2022	2021
	£	£
Bank Loan	389,635	-
	<u>389,635</u>	<u>-</u>

The bank loan has a repayment date of 9th December 2026 at an interest rate 3.5% above the bank base rate. The loan and overdraft are secured by a composite guarantee over the group plus the property at 43 Great Ormond Street.

10. Deferred taxation

	2022	2021
	£	£
Liability brought forward	(79,172)	(65,489)
Movement in year	(33,143)	(13,683)
Liability carried forward	<u>(112,315)</u>	<u>(79,172)</u>

The Company's liability for deferred taxation consists of the tax effect of timing differences in respect of:

Company	2022		2021	
	Provided	Un-provided	Provided	Un-provided
	£	£	£	£
Fixed asset timing differences	(112,315)	-	(79,172)	-
Liability carried forward	<u>(112,315)</u>	<u>-</u>	<u>(79,172)</u>	<u>-</u>

11. Share capital and reserves

Company share capital

	2022	2021
	£	£
Allotted, issued and fully paid: 927,501 ordinary shares of £1 each	927,501	927,501

Ordinary share rights

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

Reserves

Reserves of the Company represent the following:

Profit and loss account

Cumulative profit and loss net of distributions to owners.

BATSFORD BOOKS HOLDINGS LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 28 FEBRUARY 2022

12. Related party transactions

The company has taken advantage of the exemptions provided by Section 33 of FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

13. Ultimate parent company and ultimate controlling party

Before 21 July 2021 the parent company was Pavilion Books Holdings Limited, and the ultimate controlling party was P Powell. The parent company from 21 July 2021 is B.T. Batsford Holdings Limited, and the ultimate controlling party of Batsford Books Holdings Limited is P Powell.