Company No. 11069989

FLANAME 0 LIMITED

ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

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FLANAME 0 LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their Strategic Report of Flaname 0 Limited ("the company") for the year ended 31 December 2019.

Principal activities
The company is a subsidiary of Penguin Random House Limited, a company registered in the United Kingdom. The company is UK domiciled and registered in the United Kingdom. The principal activity of the company is to act as a co-tenant under an underlease entered into on 25 November 2019 relating to the ground floor, mezzanine and 1st to 8th floors of Building A02, Phase 3 Embassy Gardens, Nine Elms, London. On the same date the company granted a licence to occupy the premises to a group company.

Review of the business
The results and financial position of the company are set out in the attached financial statements. During the year the company had no expenses to recharge and therefore had no Turnover (2018 £nil).

Key Performance Indicators ("KPIs")
Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Principal Risks and Uncertainties
The company is subject to risk management procedures and an annual risk assessment implemented by the ultimate parent company, Bertelsmann SE & Co KGaA. Given the straightforward nature of the business, no significant risks or uncertainties have been identified.

Covid-19
The company, like all companies globally on different timescales, has been impacted by the global Covid-19 pandemic outbreak since February 2020, albeit to a fairly limited extent due to the nature of the company's activities. The fit out of the leased premises at Embassy Gardens has continued but completion of the works, originally scheduled for April 2020, has been delayed by a few months. Occupation of the offices will be available for the sub-lessee for the second half of 2020, however the current remote working arrangements of employees is likely to result in actual physical occupation being staggered over the remainder of the year. The company has received written confirmation from the sub-lessee that it intends to remain in occupation for a period of at least 12 months from the date of signing these financial statements, and meet any rent obligations payable to the company during that period.

All cash funding required to operate the business continues to be supported by the Group's global cash pooling structures that have always been in place and the overall Group cash reserves are robust which puts all Group companies in a good position to withstand the cash flow demands during this period of time.

Based on these factors, the directors of the Company do not see Covid-19 impacting their view that the company will continue to operate as a going concern through 2020 and 2021 and the foreseeable future.

General
The company is presenting the financial statements in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101).

On behalf of the board

M GARDINER
Director
17 July 2020

FLANAME 0 LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and audited financial statements of the company for the year ended 31 December 2019.

Results and dividends
No dividends were proposed or paid during 2019 (2018: £nil). The company's Balance Sheet at 31 December 2019 is set out on page 9.

Financial instruments
It is the company's policy to implement financial risk management objectives and policies for each major type of transaction. The directors consider the entity's exposure to price risk, credit risk, liquidity risk and cash flow risk as not significant.

Directors
The directors who held office during the year and up to the date of signing the financial statements are given below:

Thomas Weldon
Robert Waddington
Mark Gardiner

Sinead Martin (Company Secretary)

Statement of directors' responsibilities
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and applicable law.)

Under company law the directors must not approve the financial statements unless they are 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 year.

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are 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 them to ensure that the financial statements comply with the Companies Act 2006.

FLANAME 0 LIMITED

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that he company's auditors are aware of that information.

Independent auditors
Following completion of the current year audit PricewaterhouseCoopers LLP will stand down as the Company's auditors. The Board intends to subsequently appoint KPMG LLP as the Company's new auditor.

On behalf of the Board

M. W. Gardiner

M GARDINER
Director
17 July 2020

Independent auditors' report to the members of Flaname 0 Limited

Report on the audit of the financial statements

Opinion

In our opinion, Flaname 0 Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance Sheet as at 31 December 2019; the Income Statement, the Statement of Comprehensive income, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Independent auditors' report to the members of Flaname 0 Limited (continued)

Reporting on other information (continued)

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is 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 directors are 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 directors either intend to liquidate the company or to cease operations, or have 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 an auditors' report 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members of Flaname 0 Limited (continued)

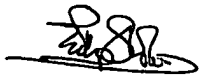
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Philip Stokes (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
17 July 2020

FLANAME 0 LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Year ended 31 December 2019 £	13 month period ended 31 December 2018 £
Turnover		-	-
Cost of sales		-	-
Gross result		-	-
Administrative expenses		-	-
Operating result	5	-	-
Interest receivable and similar income	6	**8,282**	-
Interest payable and similar expenses	7	**(8,282)**	-
Interest payable and similar charges			
Result before taxation		-	-
Tax on result		-	-
Result for the financial year		-	-

FLANAME 0 LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Year ended 31 December 2019 £	13 month period ended 31 December 2018 £
Result for the financial year	-	-
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	-	-

FLANAME 0 LIMITED

Company No. 11069989

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	9	-	41,224
		-	41,224
Current assets			
Debtors - due within one year	11	395,148	394,551
Debtors - due after one year	11	2,883,547	-
		3,278,695	394,551
Creditors: amounts falling due within one year	12	(395,147)	(435,774)
Net current assets/(liabilities)		2,883,548	(41,223)
Total assets less current liabilities		2,883,548	1
Creditors: amounts falling due after more than one year	13	(2,883,547)	-
Net assets		**1**	**1**
Capital and reserves			
Called up share capital	14	1	1
Retained earnings		-	-
Total equity		**1**	**1**

The notes on pages 11 to 20 form part of these financial statements.

The financial statements on pages 7 to 20 were approved by the board of directors on 17 July 2020 and were signed on its behalf by:

M. W. Gardiner

M GARDINER
Director

FLANAME 0 LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Called up share capital	Retained earnings	Total equity
		£	£	£
Balance as at 17 November 2017		-	-	-
Changes in equity				
Issued during the year		1	-	1
Balance as at 31 December 2018		1	-	1
Changes in equity				
Total comprehensive income for the year		-	-	-
Balance as at 31 December 2019		1	-	1

FLANAME 0 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1 GENERAL INFORMATION

Flaname 0 Limited ("the company") is a private company limited by shares and is incorporated in the United Kingdom. The address of its registered office is 20 Vauxhall Bridge Road, London, SW1V 2SA. The company entered into a lease dated 25 November 2019 for the occupation of the ground floor reception and mezzanine floor at Embassy Gardens, London. On the same date, the company granted The Random House Group Limited the right to occupy the premises as licencees.

2 STATEMENT OF COMPLIANCE

The individual financial statements of the company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These polices have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation of financial statements

These financial statements are prepared on a going concern basis, under the historical cost convention in accordance with the UK Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Management has not involved a higher degree of judgement or complexity, or agrees whole assumptions and estimates are significant to the financial statements.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: disclosures'
- Paragraphs 91 to 99 of IFRS 13 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, change in accounting estimates and errors' (requirement for the disclosure of information when entity has not applied a new IFRS that has been issued but is not yet effective)
- The following paragraphs of IAS 1 'Presentation of financial statements':
    - 10(d) (statement of cash flows)
    - 38A (requirement for minimum of two primary statements, including cash flow statements)
    - 38B-D (additional comparative information)
    - 111 (cash flow statement information)
    - 134-136 (capital management disclosures)
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.
- The requirements of paragraph 93 of IFRS 16 Leases.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Going concern
The financial statements are prepared on a going concern basis which the directors believe to be appropriate. This has been considered for the next twelve months from the date of approval of these financial statements.

New standards, amendments and IFRIC interpretations
IFRS 16 is a new accounting standard that is effective for the year ended 31 December 2019 and has had a material effect on the company's financial statements. There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2019 that have had a material impact on the company's financial statements.

Foreign Currency translation
Functional and presentation currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in sterling, which is also the functional currency of the company.

Transactions and balances
Transactions in a currency other than the functional currency ('foreign currency') are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in the income statement.

Tangible assets
Tangible assets are stated at historical cost less accumulated depreciation. Historical cost includes the original purchase price and costs directly attributed to bringing the asset to its working conditions for intended use.

Assets under construction ("AUC") relate to the fitting out costs under the headlease agreement. On completion, the costs are transferred from AUC to the appropriate asset group, and depreciated over their useful economic life in accordance with the company's accounting policies from this point.

Leases
The company leases various offices. Rental contracts are typically made for fixed periods of 10 years but may have extension options.

Contracts may contain both lease and non-lease components. The company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the company is a lessee and for which it has major leases, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Until the 2018 financial year, leases of property, plant and equipment were classified as either finance leases or operating leases. From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the company under residual value guarantees;
- The exercise price of a purchase option if the company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration cost.

Right-of-use assets are depreciated over the lease term on a straight-line basis.

The company does not recognise a right-of-use asset in respect of the lease of premises which it has granted occupation under licence to another group company. The right of-use asset is recognised by the licencee in this scenario. The company recognises the net present value of the lease receivable due from the licencee under the licence to occupy agreement. The lease receivable is discounted using the interest rate implicit in the lease. The finance income is credited to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the receivable for each period.

Amounts owed by group undertakings
Amounts owed by group undertakings are stated at amortised cost. No impairment provision is made on amounts owed by group undertakings on the grounds that they are repayable on demand.

Amounts owed to group undertakings
Amounts owed to group undertakings are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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 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 addressed below:

Lease accounting

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Critical accounting judgements in applying the entity's accounting policies

Lease accounting

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the company is typically reasonably certain to extend (or not terminate).

Otherwise, the company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

5 OPERATING RESULT

Auditors' remuneration of £5,000 (2018: £5,000) for the statutory audit of the company was borne by the Random House Group Limited. No other services were provided by the company's auditors in 2019 (2018: none).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (continued

6 INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31 December 2019 £	13 month period ended 31 December 2018 £
Interest receivable and similar income		
Interest on lease receivable	8,282	-
	8,282	-

7 INTEREST PAYABLE AND SIMILAR EXPENSES

	Year ended 31 December 2019 £	13 month period ended 31 December 2018 £
Finance expense		
Interest on lease - buildings	8,282	-
Total finance expense	8,282	-

8 EMPLOYEES AND DIRECTORS

Employees
The company had no employees during 2019 (2018: nil).

Directors
The directors are employed and paid by the Random House Group Limited. Directors' services to the company are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to the company that employs them. Accordingly, there are no emoluments in respect of the directors (2018: nil).

9 TANGIBLE ASSETS

	Assets under construction	Total
	£	£
Cost:		
At 1 January 2019	41,224	41,224
Transfers	(41,224)	(41,224)
At 31 December 2019	-	-
Net book value:		
At 31 December 2018	41,224	41,224
At 31 December 2019	-	-

Assets under construction relate to the fitting out costs of the leased premises. During the year these items were transferred to the group sub-lessee company who will occupy the premises under licence granted by the company.

10 LEASES

The company has entered into lease contracts for various office floors, which will be occupied by The Random House Group Limited ("RHG"), a fellow subsidiary company of Penguin Random House Limited, under a licence agreement granted to them by the company. As detailed in note 3, and in accordance with the provisions of 'IFRS 16: Leases', the company does not recognise a right-of-use asset for the leased premises when it has granted occupation under licence to another group company. The right of-use asset is recognised by RHG in this scenario and the company instead recognises the net present value of the rent due to them from RHG as a lease receivable. The lease receivable is discounted using the interest rate implicit in the lease. The company recognises a lease liability for the net present value of future rent payments due to the landlord under the head lease, discounted using the interest rate implicit in the lease. Interest income is recognised on the lease receivable due to the licence to occupy agreement constituting a finance lease under IFRS 16.

The amounts recognised in the financial statements in relation to the lease are as follows:

(i) Amounts recognised in the statement of financial position

The balance sheet shows the following amounts relating to leases:

	2019	2018
Lease receivable		
Non-current	2,883,547	-
	2,883,547	-
Lease liabilities		
Non-current	(2,883,547)	-
	(2,883,547)	-

10 LEASES (continued)

(ii) Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

	2019	2018
Interest income	8,282	-
Interest expense (included in finance cost)	(8,282)	-

(iii) Future minimum lease payments as at 31 December 2019

	2019	2018
Not later than one year	-	-
Later than one year and not later than five years	1,436,376	-
Later than five years	1,795,470	-
Total gross payments	3,231,846	-
Impact of finance expenses	(348,299)	-
Carrying amount of liability	2,883,547	-

There is a rent free period - no rent payment due until August 2021.

(iv) Maturity analysis table of lease receivable balances.

	2019	2018
Not later than one year	-	-
Later than one year and not later than five years	1,436,376	-
Later than five years	1,795,470	-
Total gross receipts	3,231,846	-
Impact of finance income	(348,299)	-
Carrying amount of lease receivable	2,883,547	-

11 DEBTORS

	2019	2018
	£	£
Lease receivable	2,883,547	-
Amounts owed from group undertakings	395,147	394,550
Other debtors	1	1
	3,278,695	394,551

Lease receivable represents future rent due to the company from The Random House Group Limited for occupation of the leased premises. The balance includes £3,062,264 of amounts falling due after more than one year.

Amounts owed by group undertakings are unsecured and repayable on demand.

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Amounts owed to group undertakings	395,147	435,774
	395,147	435,774

Amounts owed to group undertakings are unsecured and interest free. Amounts owed to group undertakings includes £395,147 owed to The Random House Group Limited (2018: £435,774).

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 £	2018 £
Lease liability & Accrued lease interest	2,883,547	-
	2,883,547	-

14 CALLED UP SHARE CAPITAL

Called up share capital	2019 £	2018 £
Total share capital	1	1

Ordinary share £1 each	2019 No.	2019 £	2018 No.	2018 £
Issued during the period	-	-	1	1
Allotted and fully paid at 31 December	1	1	1	1

15 COMMITMENTS

The company had the following future minimum lease payments under non-cancellable operating leases (under IAS 17):

Premises:	2019 £	2018 £
Not later than one year	-	-
Between two and five years	-	990,180
Over five years	-	2,277,414
	-	3,267,594

16 RELATED PARTY DISCLOSURE

The immediate parent undertaking is Penguin Random House Limited ("PRHL"). At the balance sheet date PRHL was owned by Bertelsmann UK Limited (75%) and Pearson PRH Holdings Limited (25%). The company's ultimate parent company is Bertelsmann SE & Co KGaA, which is incorporated in Germany. Copies of Bertelsmann SE & Co KGaA's consolidated financial statements (the smallest and largest financial statements in which the Company is consolidated) can be obtained from:

Bertelsmann SE & Co KGaA
Corporate Communications
Carl Bertelsmann Strasse 270
33311 Gütersloh
Germany

The company is exempt from the requirement, under International Accounting Standard 24 'Related party disclosures', to disclose transactions with entities that are wholly owned by PRHL. The company has taken advantage of this exemption.