Company registration number SC333949 (Scotland)

WITHERBY PUBLISHING GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2022

WITHERBY PUBLISHING GROUP LIMITED

COMPANY INFORMATION

Directors	K Heathcote I G Macneil G Macrosson D L Tait J Machtelinckx
Secretary	Morton Fraser Secretaries Limited
Company number	SC333949
Registered office	27 Stafford Street Edinburgh United Kingdom EH3 7BJ
Auditor	Azets Audit Services Exchange Place 3 Semple Street Edinburgh United Kingdom EH3 8BL

WITHERBY PUBLISHING GROUP LIMITED

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WITHERBY PUBLISHING GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MAY 2022

The directors present the strategic report for the year ended 31 May 2022.

The principal activity of the company is that of publishing of operational guidance and technical standards for the shipping industry. In circumstances where guidance is not already published on behalf of a client industry trade association, this work is often developed in-house using subject matter experts or in conjunction with the most appropriate industry or national/international body or organisation.

The company is the trading entity within the Witherby Group.

Fair review of the business

The business operated from June 2021 to March 2022 with all staff working from home due to COVID 19 restrictions and following the advice of the Scottish Government. Staff returned to the office in March 2022 where a trial of a 4 day working week was adopted. The 4 day working week was reviewed after 6 months and this initial trial had proven successful, with no slippage in product delivery and staff working smarter to ensure their previous 5 day working week was accommodated within a 4 day week. The business has decided to continue to work on a 4 day week basis and continue to review its performance at regular intervals.

The Gross Profit for the year was £7,269,097 (2021: Gross Profit £6,755,416). The profit after tax for the year was £38,307 (2021: profit after tax £1,942,123) and shareholders' funds stood at £7,813,733 (2021: £7,870,426).

The company remains in a strong position for the future.

Principal risks and uncertainties

Energy supplies - the business secured its gas supplies for office and warehouse heating in Spring 2021 and these prices were locked-in until Sep 2025.

Inflation - 2022 sees the UK experiencing high inflation rates of c.a. 10%. The main impact will be on the cost of paper purchased. This price will be taken into account in determining the RRP of publications and where required for large print runs, paper stocks are being secured ~4 months before they are required.

Currency risk - 2022 has seen the UK experience rapid changes in the exchange rate of the £GBP against the $USD and the €Euro. While 76% of sales occur outside the UK, all sales are made in £GBP.

Interest rates - The business has no debt and no plans for financing that will be affected by predicted interest rate increases.

Future developments

The business is focussed on fully commercialising Witherby Connect, its hybrid browser based eBook software, and the SHIPMOOR mooring analysis tool.

Development work in navigational publishing is focussing on expanding the range of the company's Passage Planning Guides for shipping, with development ongoing on both the Suez Canal and the Turkish Straits. The technical department continues to focus on security issues affecting merchant shipping.

The update of a number of products will benefit from work conducted onboard the company's research vessel, ASTRA, and product propositions and a pipeline of potential product ideas identified during ASTRA's circumnavigation continue to be assessed.

The business continues to look for opportunities for acquisition or partnership, particularly in areas that complement our product portfolio or utilise our data assimilation skills.

The company will continue to be part of the Group.

Key performance indicators
Key performance indicators for the group are considered by the Directors to be profitability, capital position and charitable giving. It should be noted that charitable giving in the forthcoming year is expected to remain at a similar level to charitable giving over the last three years at approximately £150,000.

Post reporting date events
There have been no significant events affecting the Company since the year end.

On behalf of the board

K Heathcote
Director

14 December 2022

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2022

The directors present their annual report and financial statements for the year ended 31 May 2022.

Principal activities
The principal activity of the company continued to be that of publishing of operational guidance and technical standards for the shipping industry.

Results and dividends
The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £95,000. The directors do not recommend payment of a further dividend.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

K Heathcote
I G Macneil
G Macrosson
D L Tait
J Machtelinckx

Charitable donations
Various charitable donations were made during the year totalling £137,130 (2021: £155,661).
Donations, individually or in total excess of £2,000 were made to the following charities; WPG Charitable Trust £136,930.

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 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 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 period. In preparing these 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;
- 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 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. They are 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.

Strategic report
The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of the fair review of the business, future developments, post reporting date events and an assessment of the business risks and uncertainties that have affected the company.

Statement of disclosure to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- So far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the board

K Heathcote
Director

14 December 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WITHERBY PUBLISHING GROUP LIMITED

Opinion

We have audited the financial statements of Witherby Publishing Group Limited (the 'company') for the year ended 31 May 2022 which comprise the statement of income and retained earnings, the balance sheet and notes to the financial statements, including 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 May 2022 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 *Auditor's 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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 directors' report. We have nothing to report in respect of the following matters in relation to which 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are 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 directors 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.

Auditor's 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 auditor's 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 is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud. we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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 an auditor's report 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.

Paul Hutchison BSc ACA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

19 December 2022

Chartered Accountants
Statutory Auditor

Exchange Place 3
Semple Street
Edinburgh
United Kingdom
EH3 8BL

WITHERBY PUBLISHING GROUP LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 MAY 2022

	Notes	2022 £	2021 £
Turnover	3	13,135,088	14,902,597
Cost of sales		(5,865,991)	(8,147,181)
Gross profit		7,269,097	6,755,416
Administrative expenses		(7,212,036)	(4,381,064)
Other operating income		23,928	27,535
Operating profit	4	80,989	2,401,887
Interest receivable and similar income	8	2,299	2,298
Interest payable and similar expenses	9	-	(55)
Profit before taxation		83,288	2,404,130
Tax on profit	10	(44,981)	(462,007)
Profit for the financial year		38,307	1,942,123
Retained earnings brought forward		6,775,596	5,523,473
Dividends	11	(95,000)	(690,000)
Retained earnings carried forward		6,718,903	6,775,596

The profit and loss account has been prepared on the basis that all operations are continuing operations.

WITHERBY PUBLISHING GROUP LIMITED

BALANCE SHEET

AS AT 31 MAY 2022

		2022		2021	
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Intangible assets	**12**		154,343		177,959
Tangible assets	**13**		2,592,801		2,314,876
Investments	**14**		19,050		19,050
			2,766,194		2,511,885
Current assets					
Stocks	**16**	563,292		535,334	
Debtors	**17**	4,267,572		5,517,432	
Cash at bank and in hand		1,444,500		827,943	
		6,275,364		6,880,709	
Creditors: amounts falling due within one year	**18**	(982,412)		(1,366,611)	
Net current assets			5,292,952		5,514,098
Total assets less current liabilities			8,059,146		8,025,983
Provisions for liabilities					
Deferred tax liability	**19**	245,413		155,557	
			(245,413)		(155,557)
Net assets			7,813,733		7,870,426
Capital and reserves					
Called up share capital	**21**		134,500		134,500
Share premium account			960,330		960,330
Profit and loss reserves			6,718,903		6,775,596
Total equity			7,813,733		7,870,426

The financial statements were approved by the board of directors and authorised for issue on 14 December 2022 and are signed on its behalf by:

I G Macneil
Director

Company Registration No. SC333949

1 Accounting policies

Company information

Witherby Publishing Group Limited is a private company limited by shares incorporated in Scotland. The registered office is 27 Stafford Street, Edinburgh, United Kingdom, EH3 7BJ.

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.

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Witherby Investments Limited. These consolidated financial statements are available from its registered office, 27 Stafford Street, Edinburgh, EH3 7BJ.

1.2 Going concern

The directors have considered a period of at least twelve months from the date on which these financial statements have been signed and having considered all information available to them, believe it appropriate to prepare the financial statements on a going concern basis.

This assessment of going concern includes the existing impact of COVID-19 on the entity as the economy recovers from the pandemic, together with the current inflationary pressures impacting on costs. The directors are satisfied that it has adequate resources to continue to operate for the foreseeable future.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. Turnover represents income received from general trade publishing sales.

Revenue from the sale of goods is recognised when the significant rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), 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 Accounting policies **(Continued)**

1.4 Intangible fixed assets other than goodwill

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation 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:

Publishing rights	50% on cost
Website	33% on cost
Trademark	12% on cost

1.5 Tangible fixed assets

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

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

Freehold property	2% on cost
Property improvements	Over the term of the lease
Plant and equipment	4% and 20% on cost
Equipment, Fixtures and fittings	33% on cost and 15% reducing balance
Library	33% on cost

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 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss .

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1 Accounting policies **(Continued)**

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

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.

1.9 Cash and cash equivalents

Cash and cash equivalents 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.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

1 Accounting policies **(Continued)**

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, 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.

Classification of financial liabilities

Financial liabilities and equity instruments are classified 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.

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.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 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.

1 Accounting policies **(Continued)**

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

1.16 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.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The directors consider that there are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Trade publishing sales	13,135,088	14,902,597

	2022	2021
	£	£
Turnover analysed by geographical market		
United Kingdom	3,107,900	4,523,843
Rest of Europe	4,249,997	4,989,448
Rest of the World	5,777,191	5,389,306
	13,135,088	14,902,597

	2022	2021
	£	£
Other revenue		
Interest income	2,299	2,298
Royalty income	12,921	6,262
Grants received	1,065	10,977
Other operating income	9,942	10,296

4 Operating profit

Operating profit for the year is stated after charging/(crediting):	2022 £	2021 £
Exchange (gains)/losses	(53)	40
Government grants	(1,065)	(10,977)
Fees payable to the company's auditor for the audit of the company's financial statements	22,800	16,400
Depreciation of owned tangible fixed assets	186,597	179,022
Profit on disposal of tangible fixed assets	-	(2,000)
Amortisation of intangible assets	32,640	27,976
Operating lease charges	47,744	42,149

5 Auditor's remuneration

Fees payable to the company's auditor and associates:	2022 £	2021 £
For audit services		
Audit of the financial statements of the company	22,800	16,400

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
	51	51

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	4,165,430	2,420,586
Social security costs	503,356	288,184
Pension costs	60,527	59,098
	4,729,313	2,767,868

7 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	2,693,576	1,033,569
Company pension contributions to defined contribution schemes	10,321	10,824
	2,703,897	1,044,393

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2021 - 3).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022	2021
	£	£
Remuneration for qualifying services	2,336,536	336,709

8 Interest receivable and similar income

	2022	2021
	£	£
Interest income		
Interest on bank deposits	1,649	1,685
Other interest income	650	613
Total income	2,299	2,298

9 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank overdrafts and loans	-	55

10 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	(44,948)	395,174
Adjustments in respect of prior periods	73	-
Total current tax	(44,875)	395,174
Deferred tax		
Origination and reversal of timing differences	89,856	66,833
Total tax charge	44,981	462,007

10 Taxation **(Continued)**

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
Profit before taxation	83,288	2,404,130
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	15,825	456,785
Tax effect of expenses that are not deductible in determining taxable profit	34,780	851
Group relief	-	(8,419)
Research and development tax credit	-	(13,266)
Under/(over) provided in prior years	73	2,374
Fixed asset differences	-	(10,285)
Other permanent differences	-	(3,367)
Effect of increase in deferred tax rate	21,565	37,334
Enhanced capital allowance deductions	(27,262)	-
Taxation charge for the year	44,981	462,007

11 Dividends

	2022	2021
	£	£
Final paid	95,000	690,000

12 Intangible fixed assets

	Publishing rights	Website	Trademark	Total
	£	£	£	£
Cost				
At 1 June 2021	9,351	60,589	200,000	269,940
Additions	-	9,024	-	9,024
Disposals	-	(34,093)	-	(34,093)
At 31 May 2022	9,351	35,520	200,000	244,871
Amortisation and impairment				
At 1 June 2021	7,403	34,093	50,485	91,981
Amortisation charged for the year	1,948	7,391	23,301	32,640
Disposals	-	(34,093)	-	(34,093)
At 31 May 2022	9,351	7,391	73,786	90,528
Carrying amount				
At 31 May 2022	-	28,129	126,214	154,343
At 31 May 2021	1,948	26,496	149,515	177,959

13 Tangible fixed assets

	Freehold property	Property improvements	Plant and equipment	Equipment, Fixtures and fittings	Library	Total
	£	£	£	£	£	£
Cost						
At 1 June 2021	810,876	60,809	1,310,968	723,275	11,407	2,917,335
Additions	-	-	455,284	9,238	-	464,522
At 31 May 2022	810,876	60,809	1,766,252	732,513	11,407	3,381,857
Depreciation and impairment						
At 1 June 2021	-	28,504	33,682	528,866	11,407	602,459
Depreciation charged in the year	16,218	7,601	62,763	100,015	-	186,597
At 31 May 2022	16,218	36,105	96,445	628,881	11,407	789,056
Carrying amount						
At 31 May 2022	794,658	24,704	1,669,807	103,632	-	2,592,801
At 31 May 2021	810,876	32,305	1,277,286	194,409	-	2,314,876

14 Fixed asset investments

	2022	2021
	£	£
Unlisted investments	3,850	3,850
Other investments	15,200	15,200
	19,050	19,050

Movements in fixed asset investments

	Investments	Other	Total
	£	£	£
Cost or valuation			
At 1 June 2021	3,851	15,200	19,051
Disposals	(1)	-	(1)
At 31 May 2022	3,850	15,200	19,050
Impairment			
At 1 June 2021	1	-	1
Disposals	(1)	-	(1)
At 31 May 2022	-	-	-
Carrying amount			
At 31 May 2022	3,850	15,200	19,050
At 31 May 2021	3,850	15,200	19,050

15 Subsidiaries

Details of the company's subsidiaries at 31 May 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Witherbys Publishing Limited	England and Wales	Ordinary	100.00
Seamanship International Limited	Scotland	Ordinary	100.00
Witherby Digital Limited	Scotland	Ordinary	100.00

16 Stocks

	2022	2021
	£	£
Raw materials and consumables	563,292	535,334

17 Debtors

Amounts falling due within one year:	2022 £	2021 £
Trade debtors	1,139,309	1,178,519
Corporation tax recoverable	423,267	368,336
Amounts owed by group undertakings	2,241,180	1,684,647
Other debtors	322,612	2,126,276
Prepayments and accrued income	141,204	159,654
	4,267,572	5,517,432

18 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	210,006	80,370
Corporation tax	-	64,108
Other taxation and social security	54,812	70,395
Other creditors	18,691	31,394
Accruals and deferred income	698,903	1,120,344
	982,412	1,366,611

19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

Balances:	Liabilities 2022 £	Liabilities 2021 £
Accelerated capital allowances	246,700	156,743
Retirement benefit obligations	(1,287)	(1,186)
	245,413	155,557

Movements in the year:	2022 £
Liability at 1 June 2021	155,557
Charge to profit or loss	89,856
Liability at 31 May 2022	245,413

20 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	60,527	59,098

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

21 Share capital

	2022	2021	2022	2021
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
Ordinary 'A' shares of £1 each	67,250	67,250	67,250	67,250
Ordinary 'B' shares of £1 each	67,250	67,250	67,250	67,250
	134,500	134,500	134,500	134,500

22 Operating lease commitments

Lessee

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

	2022	2021
	£	£
Within one year	32,708	32,708
Between two and five years	86,347	119,055
	119,055	151,763

23 Directors' transactions

Dividends totalling £95,000 (2021 - £690,000) were paid in the year to Witherby Investments Limited.

During the year the company made donations totalling £136,930 (2021: £127,355) to the Witherby Publishing Group Trust. The Trust is controlled by I G Macneil, K Heathcote and J Machtelinckx who are all directors of the company.

Interest free loans have been granted by the company to its directors as follows:

Description	% Rate	Opening balance	Amounts advanced	Amounts repaid	Closing balance
		£	£	£	£
Loans	-	1,845,635	33,740	(1,879,375)	-
		1,845,635	33,740	(1,879,375)	-

24 Ultimate controlling party

The company is a wholly owned subsidiary of Witherby Investments Limited, a company registered in Scotland which is the parent of the group which prepares consolidated financial statements. The company's registered office is 27 Stafford Street, Edinburgh, EH3 7BJ.

The ultimate controlling party is I G Macneil who owns 56% of the issued share capital.