A & C Black Publishers Limited

STRATEGIC REPORT, DIRECTORS' REPORT AND
UNAUDITED FINANCIAL STATEMENTS

Year ended

28 February 2015

Company Registration Number 189153

A & C Black Publishers Limited
STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2015

The Directors present their strategic report and financial statements for A & C Black Publishers Limited for the year ended 28 February 2015

BUSINESS REVIEW
The Company continues to trade in publishing, as a subsidiary to Bloomsbury Publishing Plc and as part of the Bloomsbury Publishing Group ("Group") It has principle interests in publishing yearbooks, children's books, visual arts books and a wide variety of reference books across a range of subject areas

Results and Performance
The results of the Company for the year, as set out on page 5, show a profit on ordinary activities before tax of £1,106,000 (2014 £887,000) Shareholders' funds have increased to £9,118,000 from £8,349,000

The performance of the Company continues strongly, as it produces regular profits The focus on non-trade book publishing continues, with positive growth both in traditional physical books and digital sales

During the year, the Methuen Drama and Bloomsbury Academic imprint was transferred to The Continuum International Publishing Group Limited, a wholly owned subsidiary of our ultimate parent Company, Bloomsbury Publishing Plc, as this aligned the strategic aims of the two entities

In September 2014, the Conway Publishing imprint was purchased from Pavilion Books Company Limited This list complements the Adlard Coles Nautical imprint, focusing on specialist maritime books

Key performance indicators
The key performance indicators for the Company include turnover and profit before tax Turnover for the year to 28 February 2015 was £17,552,000 (year to 28 February 2014 £18,956,000) and Company profit before tax for the year was £1,106,000 (year to 28 February 2014 £887,000)

Business Environment and Strategy
The global publishing market remains highly competitive, with pressures from new technologies, competitors and changing needs of customers The Company must therefore keep abreast of these factors in order to remain profitable and competitive

Strategy
The Company remains committed to publishing famous key works, such as *Who's Who*, which is a well-known part of the Company and the wider Group In addition, the Company has continued the focus on marketing to discrete communities of interest with the acquisition of the Conway Publishing imprint With both popular titles and annuals such as *Warship*, this imprint provides the Company with a valuable name, backlist and ongoing titles We continue to adapt to the changing technological environment with ongoing investment in digital products and innovative methods of publishing

PRINCIPAL RISKS AND UNCERTAINTIES
Overview
The company is an integrated part of the Group where the operations and procedures are shared The Company is part of Group wide risk procedures With the Company operating in a wide spectrum of the Group's activities the vast majority of Group risks apply to the Company too

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls All significant policies are subject to Group Board approval and ongoing review by management, risk management and internal audit Compliance with regulation, legal and ethical standards is a high priority for the Group and the compliance team and Group finance department take on an important oversight role in this regard The Group Audit Committee is responsible for satisfying itself that a proper internal control framework exists to manage financial risks and that controls operate effectively

A & C Black Publishers Limited
STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2015

Below is a description of the risk factors that the Directors consider are relevant to the Company's business

Market Risk
The volatility of general book sales is a key factor in the industry Our focus on special interest, academic and educational books aims to focus on a less volatile market Development of other revenue streams, including rights and services, increases resilience against market volatility

Rights Risks
The volatility of timing the closing rights and services deals is a significant risk, depending on the performance by multiple parties including the main customer We aim to reduce our risks of individual deal failure by diversifying and increasing the number of deals

Digital Risk
The rise of e-book sales in the US and UK may slow We therefore position ourselves to supply books in all formats through multiple digital delivery systems, aligned with the demands of readers

Financial Reporting
The valuation of assets and provisions is a risk to the company Significant assets on the balance sheet depend on assumptions over the value, such as intangible rights We have therefore adopted a prudent approach to assumptions and Board approval of key assumptions is required

IP & Copyright
The erosion of copyright is a key risk to the Company, whether through government or other action We continue a policy of supporting copyright and intellectual property rights as a fundamental facet of publishing

Future Developments
The growth of the Company is welcome in a competitive environment We aim to build on this during the coming year, through investment in digital products, continued publishing of popular ongoing titles, and focusing on high quality works that reach out to discrete communities of interest

Staff, Board and Investors
The Board would like to thank all staff for their part in the achievement of these results and for their continuing contribution to the Company The Board would also like to thank the Company's ultimate shareholder, Bloomsbury Publishing Plc for their continuing support

This report was approved by the board on 23 February 2016 and signed on its behalf

M Daykin
Company Secretary

A & C Black Publishers Limited

DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2015

The directors present their annual report and the financial statements for the year ended 28 February 2015

RESULTS AND DIVIDENDS
The Company's profit after tax for the year to 28 February 2015 is £854,000 (year to 28 February 2014 £697,000) No dividend is recommended (2014 £nil)

FUTURE DEVELOPMENTS
Future developments in the business are discussed in the strategic report under the Strategy section

DIRECTORS
The directors who held office during the year and to the date of this report were

JN Newton
KM Rooney (resigned 19 January 2015)
J Parsons (resigned 16 January 2015)
W Pallot

Directors are granted an indemnity from the Company to the extent permitted by law in respect of liabilities incurred as a result of their office

AUDIT EXEMPTION
For the year ending 28 February 2015 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies The members of the Company have not required the Company to obtain an audit of its financial statements for the year ending 28 February 2015 in accordance with section 476

By order of the board

Michael D

M Daykin
Company Secretary
23 February 2016

REGISTERED OFFICE
50 Bedford Square
London
WC1B 3DP

A & C Black Publishers Limited
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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 those financial statements, the directors are required to

a select suitable accounting policies and then apply them consistently,

b make judgements and estimates that are reasonable and prudent,

c state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and

d 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities

A & C Black Publishers Limited
PROFIT AND LOSS ACCOUNT
For the year ended 28 February 2015

	Note		Year ended 28 February 2015 £'000		Year ended 28 February 2014 £'000
TURNOVER	*2*		17,552		18,956
Cost of sales			(9,038)		(8,991)
GROSS PROFIT			8,514		9,965
Distribution and selling costs			(1,848)		(2,275)
Administrative costs					
Before exceptional items		(5,554)		(6,561)	
Impairment of investments		-		(222)	
			(5,554)		(6,783)
OPERATING PROFIT	*2*		1,112		907
Interest receivable			20		25
Interest payable	*4*		(26)		(45)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			1,106		887
Taxation	*5*		(252)		(190)
PROFIT FOR THE FINANCIAL YEAR	*15*		854		697

The above profit and loss account represents activities from the Company's continuing operations

There is no material difference between the profit on ordinary activities before taxation and the result for the years stated above, and their historical cost equivalents

The notes on pages 8 to 21 form part of these financial statements

A & C Black Publishers Limited
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 28 February 2015

	Note	Year ended 28 February 2015 £'000	Year ended 28 February 2014 £'000
Profit for the financial year		854	697
Actual return less expected return on pension scheme assets		1	(2)
Experience gains and losses arising on pension scheme liabilities		5	(1)
Changes in assumptions underlying the present value of the pension scheme's liabilities		(112)	(10)
Deferred taxation on actuarial gains and losses	*17*	21	(4)
TOTAL GAINS AND LOSSES RECOGNISED SINCE THE LAST ANNUAL REPORT		769	680

A & C Black Publishers Limited

BALANCE SHEET Company Registration Number 189153

At 28 February 2015

	Note	28 February 2015 £'000	28 February 2014 £'000
FIXED ASSETS			
Intangible fixed assets	6	725	2,582
Tangible fixed assets	7	699	1,849
Investments	8	6,614	6,552
		8,038	10,983
CURRENT ASSETS			
Stocks	9	4,088	6,408
Debtors	10	10,852	7,505
		14,939	13,913
CREDITORS amounts falling due within one year	12	(13,240)	(16,071)
NET CURRENT ASSETS/(LIABILITIES)		1,700	(2,158)
TOTAL ASSETS LESS CURRENT LIABILITIES		9,738	8,825
Provisions for liabilities	13	(439)	(377)
NET ASSETS EXCLUDING PENSION SCHEME DEFICIT		9,299	8,448
Pension scheme deficit	17	(181)	(99)
NET ASSETS INCLUDING PENSION SCHEME DEFICIT		9,118	8,349
CAPITAL AND RESERVES			
Called up share capital	14	86	86
Capital contribution account	15	198	198
Profit and loss account	15	8,834	8,065
SHAREHOLDERS' FUNDS	16	9,118	8,349

The notes on pages 8 to 21 form part of these financial statements

For the year ending 28 February 2015 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the companies Act 2006 The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of the accounts

The financial statements on pages 5 to 21 were approved and authorised for issue by the board of directors on 23 February 2016 and are signed on their behalf by

W Pallot

Director

1 PRINCIPAL ACCOUNTING POLICIES

(a) *Basis of accounting*

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom and under the historical cost convention

The Company has utilised the exemptions provided by Financial Reporting Standard No 1 and has not prepared a cash flow statement The results and cash flows of the Company are included in the consolidated financial statements of its ultimate parent company, Bloomsbury Publishing Plc, which are publicly available The Company is also exempt under FRS 8 from disclosing related party transactions with entities that are part of the Bloomsbury Publishing Plc group

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements These financial statements present information about the Company as an individual undertaking entity and not about its group The consolidated financial statements of the ultimate parent company, Bloomsbury Publishing Plc, which is incorporated in England & Wales include the results of the Company and are publicly available

(b) *Going concern*

The Company participates in the ultimate parent, Bloomsbury Publishing Plc's, centralised treasury arrangement and so shares banking arrangements with the parent and fellow subsidiaries The Bloomsbury Group meets its day to day working capital requirements through a £2m overdraft facility and a five year £13 5m revolving credit facility

The directors, having assessed the responses of the directors of the ultimate parent Bloomsbury Publishing Plc, to their enquiries, have no reason to believe a material uncertainty exists that may cast significant doubt over the Group's ability to continue as a going concern The factors taken into account in developing this expectation include the level of cash within the business, the Group's bank facilities and continuing sources of revenue

On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of Bloomsbury Publishing Plc, the Company's directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future Thus they continue to adopt the going concern basis of accounting in preparing the financial statements

(c) *Turnover*

Turnover represents the amount derived from the provision of goods, services and rights falling within the Company's ordinary activities, after deduction of trade discounts, value added tax and anticipated returns

- Turnover from book publishing is recognised on delivery to retailers
- Turnover from the sale of publishing and distribution rights, including film, paperback, electronic, overseas publishing rights and sponsorship, is recognised on the delivery of the related content
- Turnover from database contracts is recognised in accordance with the stages of completion of contractual services provided The degree of completion is calculated as a proportion of the content generated against the contractually agreed milestones, for example number of words generated Where the degree of completion of milestones cannot be reliably measured, turnover is only recognised in full on completion
- Turnover from management services contracts is recognised at the contractually agreed rate
- Turnover from e-book sales is recognised when content is delivered

(d) *Intangible fixed assets*

Goodwill, being the excess cost of acquisition over the fair value of assets acquired, is recognised as an intangible asset and stated at fair value less accumulated amortisation and any amounts recognised in respect of impairment Goodwill is amortised to nil by equal annual instalments over its estimated useful life of 5 years

Intangible fixed assets purchased separately from a business are stated at their cost less accumulated amortisation and any amounts recognised in respect of impairment Intangible assets acquired as part of an acquisition are stated at their fair value at acquisition less accumulated amortisation and any amounts recognised in respect of impairment

Intangible assets are amortised on a straight-line basis over the following expected useful lives The annual rates used for this purpose are

Imprints	3-5%
Publishing Rights	5% - 12 5%

Acquired imprints are considered to have a useful economic life greater than 20 years due to the academic nature of the imprint The estimated economic life is in line with the assessment of external valuation experts at the date of the relevant acquisition

(e) *Tangible fixed assets*

Tangible fixed assets are stated at cost price less accumulated depreciation and any amounts recognised in respect of impairment

Depreciation is charged so as to write off the cost of tangible fixed assets, less expected residual value, on a straight line basis over the expected useful economic lives of the assets concerned The annual rates used for this purpose are

Office equipment	10% - 20%
Motor vehicles	25%
Product Development	20% - 33%

(f) *Investments in subsidiaries*

Investments in subsidiaries are stated at cost less any amounts recognised in respect of impairment

(g) *Stocks*

Stocks are valued at the lower of cost and net realisable value Cost, which has been determined by the first in first out method, includes all direct costs of production

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity Provision is made for any foreseeable losses where appropriate No element of profit is included in the valuation of work in progress

(h) *Deferred taxation*

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date Timing differences are differences between the taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date Deferred tax is measured on a non-discounted basis

(i) *Pensions*

Until 1997 the Company operated a defined benefit pension scheme The net obligation in respect of the defined benefit scheme is the present value of the defined benefit obligations at the balance sheet date, calculated using the projected unit credit method, less the fair value of the scheme's assets

The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost The interest cost and expected return on assets are included within interest payable and receivable

Actuarial gains and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in the statement of total recognised gains and losses

The defined benefit scheme is funded, with the assets held separately from the Company in separate trustee administered funds Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date The last valuation was made on 29 February 2012 (note 17)

The pension scheme assets are measured at fair value The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency A pension scheme asset is recognised on the balance sheet only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the balance sheet date A pension scheme liability is recognised to the extent that the Company has a legal or constructive obligation to settle the liability

Contributions payable under defined contribution schemes are charged to the profit and loss account as incurred

(j) *Share based payments*

The ultimate parent company, Bloomsbury Publishing Plc, issues equity-settled share-based payment instruments to certain employees in respect of services provided to the Company Equity-settled share-based payment transactions are measured at fair value at the date of grant The fair value determined at the grant date of equity-settled share-based payments is charged to the profit and loss on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest, with a corresponding increase in equity Amounts recharged from the parent or reimbursed by the Company are recognised as a reduction in equity in the Company

Options granted under the Group's share option schemes and Sharesave scheme are equity settled The fair values of such options have been calculated using the Black-Scholes model or a modified version of the same, based on publicly available market data

Awards granted under the Group's performance share plan are equity settled Due to the Total Shareholder Return performance condition that applies to half of any award granted under the plan, the fair value of awards has been calculated using the Monte-Carlo style stochastic model

(k) *Foreign currencies*

Transactions in currencies other than the functional currency are recorded at rates of exchange approximating to those ruling at the date of the transaction Monetary assets and liabilities held in foreign currencies are translated into sterling at the closing rates of exchange at the balance sheet date Exchange differences are included in operating profit

(l) *Critical accounting estimates and judgements*

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events The resultant estimates will, by definition, not necessarily equal the related actual results and may require adjustment in subsequent accounting periods The estimates and judgements that may cause a material adjustment to the carrying amount of assets and liabilities in the next financial year are

Book returns
As books are returnable by customers, the Company makes a provision against books sold in the accounting period which is then carried forward and offset against trade debtors in the balance sheet in anticipation of book returns received subsequent to the period end The provision is calculated by reference to historical returns rates and expected future returns

Author advances
A provision is made by the Company against published title advances which may not be covered by anticipated future sales, paperback editions or contracts for subsidiary rights receivable At the end of each financial year a review is carried out on all published titles advances If it is unlikely that royalties from future sales, paperback sales or subsidiary rights will fully earn down the advance, a provision is made to the profit and loss account for the difference between the carrying value and the anticipated recoverable amount from future earnings

Stock
At the end of each financial year a review is carried out on all published titles where stock is held A provision is made by the Company against unsold stock on a title by title basis, with regard to historical net sales and expected future net sales, to value the stocks at the lower of cost and net realisable value

2 TURNOVER AND OPERATING PROFIT

Turnover by destination	Year ended 28 February 2015 £'000	Year ended 28 February 2014 £'000
United Kingdom	13,159	14,227
Rest of Europe	953	1,036
North America	1,780	2,184
Other	1,660	1,509
	17,552	18,956

Operating profit is stated after charging		
Depreciation of tangible fixed assets (note 7)	357	421
Amortisation of intangible fixed assets (note 6)	200	277
Staff costs (note 3)	1,876	2,207
Exchange losses	-	1
Impairment of investments in subsidiary undertakings	-	222

3 STAFF COSTS AND DIRECTORS' EMOLUMENTS

Staff costs of £1,876,000 were recharged in the year from Bloomsbury Publishing Plc (2014 £2,207,000)

All employees are employed by Bloomsbury Publishing Plc, the ultimate parent company Employees provide services on a group basis and all employee costs are incurred by Bloomsbury Publishing Plc A recharge of staff costs, including directors' emoluments, is made to the Company in respect of services provided to the Company

Directors' remuneration is borne by the ultimate parent company, Bloomsbury Publishing Plc, and disclosed in the consolidated financial statements which are publically available from the address in note 21 A recharge is made to the Company in respect of services provided to the Company The recharge is part of the central cost recharge

Amounts recharged from Bloomsbury Publishing Plc in respect of directors' services to the Company were

	Year ended 28 February 2015 £'000	Year ended 28 February 2014 £'000
Directors' emoluments (excluding pension contributions)		
Total	250	376
Highest paid director	153	154
Pension contributions		
Total	21	24
Highest paid director	13	13

Two (2014 four) directors were accruing benefits during the year under defined contribution pension arrangements

4 INTEREST PAYABLE

	Year ended 28 February 2015 £'000	Year ended 28 February 2014 £'000
Loan interest payable to ultimate parent company	-	20
Interest on pension scheme liabilities (note 17)	26	25
	26	45

5 TAXATION

(a) Analysis of tax charge for the year

	Year ended 28 February 2015 £'000	Year ended 28 February 2014 £'000
UK corporation tax		
Current tax on income for the year	255	300
Adjustment in respect of prior years	(5)	(100)
	250	200
Deferred taxation (note 11)		
Current year charge / (credit)	2	(10)
Tax on profit on ordinary activities	252	190

(b) Factors affecting tax charge for the year

The current tax charge for the year is higher (2014 lower) than the standard rate of corporation tax in the UK of 21 17% (2014 23 08 %) The differences are explained below

	Year ended 28 February 2015 £'000	Year ended 28 February 2014 £'000
Profit on ordinary activities before tax	1,106	887
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21 17% (2014 23 08%)	234	205
Effects of		
Expenses not deductible for tax purposes	3	54
Difference between depreciation and capital allowances	4	21
Adjustment to tax charge in respect of previous periods	(5)	(100)
Share option recharge	20	29
Other	(6)	(9)
Total current tax charge	250	200

6 INTANGIBLE FIXED ASSETS

	Goodwill £'000	Publishing Rights and Imprints £'000	Total £'000
Cost			
At 1 March 2014	4,019	3,220	7,239
Additions	89	251	340
Transfer to Group companies	(2,423)	(2,838)	(5,261)
At 28 February 2015	1,685	633	2,318
Amortisation			
At 1 March 2014	3,833	824	4,657
Charge for the year	70	130	200
Transfer to Group companies	(2,403)	(861)	(3,264)
At 28 February 2015	1,500	93	1,593
Net book value			
At 28 February 2015	185	540	725
At 28 February 2014	186	2,396	2,582

7 TANGIBLE FIXED ASSETS

	Motor vehicles £'000	Office equipment £'000	Product development £'000	Assets under construction £'000	Total £'000
Cost					
At 1 March 2014	113	580	1,973	401	3,067
Additions	-	-	438	205	643
Disposals	(18)	-	-	-	(18)
Transfers	-	-	195	(195)	-
Transfers to Group companies	-	-	(1,640)	(322)	(1,962)
At 28 February 2015	95	580	966	89	1,730
Depreciation					
At 1 March 2014	113	548	557	-	1,218
Disposals	(18)	-	-	-	(18)
Charge for the year	-	26	331	-	357
Transfers to Group companies	-	-	(526)	-	(526)
At 28 February 2015	95	574	362	-	1,031
Net book value					
At 28 February 2015	-	6	604	89	699
At 28 February 2014	-	32	1,416	401	1,849

8 INVESTMENTS

	£'000
Shares in subsidiary undertakings	
Cost	
At 1 March 2014	7,868
Additions	62
At 28 February 2015	7,930
Provision for impairment	
At 1 March 2014	1,316
Charge in the year	-
At 28 February 2015	1,316
Net book value	
28 February 2015	6,614
28 February 2014	6,552

	Country of incorporation and operation	Proportion of equity capital held	Nature of business during the year
Subsidiary undertakings held directly			
Featherstone Education Limited	England	100%	Non-trading
Oxford International Publishers Limited t/a Berg Publishers	England	100%	Publishing
John Wisden (Holdings) Limited	England	100%	Non-trading
Methuen Drama Limited	England	100%	Non-trading
Reed's Almanac Limited	England	100%	Non-trading
Subsidiary undertakings held indirectly			
John Wisden and Company Limited	England	100%	Publishing
Berg Fashion Library Limited	England	100%	Publishing

9 STOCKS

	28 February 2015 £'000	28 February 2014 £'000
Work in progress	1,246	2,071
Finished goods	2,842	4,337
	4,088	6,408

10 DEBTORS

	28 February 2015 £'000	28 February 2014 £'000
Trade debtors	219	220
Amounts due from group companies	8,199	3,604
Deferred tax asset (note 11)	15	17
Prepayments and accrued income	2,419	3,664
	10,852	7,505

11 DEFERRED TAXATION

The deferred tax asset comprises the following

	Fixed asset timing differences £'000
At 1 March 2014	17
Profit and loss account	(2)
At 28 February 2015	15

The deferred tax asset is included in the financial statements at a corporation tax rate of 20%
The deferred tax asset in relation to the pension liability is considered in note 17

12 CREDITORS

	28 February 2015 £'000	28 February 2014 £'000
Amounts falling due within one year		
Trade creditors	816	1,415
Amounts owed to group companies	9,532	11,700
Other taxation and social security	9	11
Corporation taxation payable	550	180
Other creditors	697	980
Accruals and deferred income	1,636	1,785
	13,240	16,071

13 PROVISIONS FOR LIABILITIES

	Contingent consideration £'000
At 1 March 2014	377
Created	62
At 28 February 2015	439

14 SHARE CAPITAL

	28 February 2015 £'000	28 February 2014 £'000
Allotted, called up and fully paid		
460 Ordinary shares of £1 each	-	-
86,000 Deferred shares of £1 each	86	86
	86	86

15 RESERVES

	Capital contribution account £'000	Profit and loss account £'000	Total £'000
At 1 March 2014	198	8,065	8,263
Capital contribution from ultimate parent company	94	-	94
Recharge of share based payment charge from the ultimate parent company	(94)	-	(94)
Retained profit for the year	-	854	854
Other recognised gains and losses	-	(85)	(85)
At 28 February 2015	198	8,834	9,032

16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	28 February 2015 £'000	28 February 2014 £'000
Retained profit for the year	854	697
Other recognised gains and losses relating to the year	(85)	(17)
Capital contribution from ultimate parent company	94	128
Recharge of share based payment charge from the ultimate parent company	(94)	(128)
Net increase in shareholders' funds	769	680
Opening shareholders' funds	8,349	7,669
Closing shareholders' funds	9,118	8,349

17 PENSIONS

The Company operates a group money purchase scheme In the year to 28 February 2015 pension costs amounted £86,000 (year to 28 February 2014 £80,000)

The Company operates a defined benefit scheme for some staff Accrual of benefits ceased in 1997, with the scheme now being operated as a closed fund A full actuarial valuation was carried out as at 29 February 2012 and updated to 28 February 2015 by a qualified independent actuary At the date of the last completed independent actuarial valuation the market value of the assets of the scheme was £486,000

Contributions paid to the scheme during the period amounted to £21,000 (2014 £34,000) The directors' best estimate of the contribution to be paid in the year ending 28 February 2016 is £46,000

The major assumptions used by the actuary for the update at 28 February 2015 were as follows

	28 February 2015	28 February 2014
Rate of increase in salaries*	n/a	n/a
Rate of increase in pensions in payment	0 00%	0 00%
Discount rate	3 40%	4 40%
Inflation assumption	2 1-3 1%	3 40%
Revaluation rate for deferred pensioners	2 50%	2 50%

* The scheme is closed and there are no active members, therefore no increases in payments have been applied

Details of the plan assets are included in the Bloomsbury Publishing Plc Group financial statements
Mortality rate assumptions are based on publicly available data in the UK, such as mortality tables The mortality assumptions adopted at 28 February 2015 imply the following remaining life expectancies at age 65

	28 February 2015 Life expectancy at age 65	28 February 2014 Life expectancy at age 65
Male currently aged 45	25 6	25 5
Female currently aged 45	28 0	27 9
Male currently aged 65	23 6	23 5
Female currently aged 65	26 1	26 0

The amount included in the balance sheet arising from the Company's obligation in respect of the defined benefit pension scheme is as follows

	Year ended 28 February 2015 £'000	Year ended 28 February 2014 £'000
Total value of assets (with profit policy)	486	464
Present value of funded scheme liabilities	(713)	(588)
Retirement benefit obligations (net liability)	(227)	(124)
Deferred taxation	46	25
Deficit after taxation	(181)	(99)

Movements in the present value of defined benefit scheme liabilities in the year were as follows

	Year ended 28 February 2015 £'000	Year ended 28 February 2014 £'000
At start of year	(588)	(579)
Expenses	(12)	(12)
Interest cost	(26)	(25)
Benefits and expenses paid	20	39
Actuarial losses	(107)	(11)
At end of year	(713)	(588)

Movements in the present value of scheme assets in the year were as follows

	Year ended 28 February 2015 £'000	Year ended 28 February 2014 £'000
At start of year	464	451
Expected return on scheme assets	20	20
Actuarial gains / (losses)	1	(2)
Employer contributions	21	34
Benefits paid	(20)	(39)
At end of year	486	464

£12,000 was charged to operating profit during the current period (2014 £12,000)

The movement in the deferred tax balance is as follows

	£'000
1 March 2014	25
Statement of total recognised gains and losses	21
28 February 2015	46

Analysis of the amount that has been charged to interest receivable and payable

	Year ended 28 February 2015 £'000	Year ended 28 February 2014 £'000
Expected return on pension scheme assets	20	20
Interest on pension scheme liabilities	(26)	(25)
Net cost	(6)	(5)

Details of the amounts recognised in the statement of total recognised gains and losses during the year are shown on page 6 The cumulative amount of actuarial income and expenses recognised since 1 January 2002 in the statement of total recognised gains and losses is a loss of £321,000 (2014 loss of £215,000)

The history of experience adjustments is as follows

	28 February 2015 £'000	28 February 2014 £'000	28 February 2013 £'000	29 February 2012 £'000	28 February 2011 £'000
Present value of defined benefit obligations	(713)	(588)	(579)	(568)	(516)
Fair value of scheme assets	486	464	451	411	421
Deficit in scheme	(227)	(124)	(128)	(157)	(95)
Experience gains / (losses) on scheme assets					
amount (£'000)	1	(2)	17	1	4
percentage of fair value of scheme assets	0%	0%	4%	0%	1%
Experience (losses) / gains on scheme liabilities					
amount (£'000)	(107)	(1)	3	(4)	6
percentage of the present value of the scheme liabilities	15%	0%	(1)%	1%	(1%)
Total amount recognised in statement of total recognised gains and losses					
amount (£'000)	(106)	(13)	14	(74)	(16)
percentage of the present value of the scheme liabilities	15%	2%	(2%)	13%	3%

18 SHARE OPTION SCHEMES

Share options in the ultimate parent company, Bloomsbury Publishing Plc, are awarded to employees of the Group in relation to their services to the Group's companies The expense of all share options awarded is incurred by Bloomsbury Publishing Plc, and a recharge to the Company is made in respect of the value of services provided in each year to the Company

For the year ended 28 February 2015 the Company recognised total expenses related to equity-settled share-based payment transactions of £94,000 (year ended 28 February 2014 £128,000)

19 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption offered by Financial Reporting Standard No 8 not to disclose transactions or balances with entities that are wholly owned by the group The consolidated financial statements of Bloomsbury Publishing Plc, the ultimate parent company, are publicly available

Bloomsbury Publishing Plc, the ultimate parent company, has guaranteed the liabilities of the Company under Section 279C of the Companies Act 2006

There were no other related party transactions

20 COMMITMENTS AND CONTINGENT LIABILITIES

The Company is committed to paying royalty advances to authors under publishing contracts during subsequent financial years At 28 February 2015 this commitment amounted to £846,000 (2014 £1,198,000)

The Company, along with other group subsidiaries, has guarantees in place relating to the Group's borrowing facilities with Lloyds TSB Bank Plc At 28 February 2015 the Group had at its disposal a £13 5 million committed revolving loan facility and a £2m million overdraft The overdraft facility is available until November 2015 and the loan facility matures in July 2016 The facility is subject to two covenants being a maximum net debt to EBITDA ratio and a minimum interest cover covenant As at 28 February 2015 £2 5 million of the available facility had been drawn down by the group

21 ULTIMATE PARENT COMPANY

The immediate parent company is A & C Black Limited (formerly A & C Black Plc), a company incorporated in Great Britain and registered in England and Wales

The ultimate parent company is Bloomsbury Publishing Plc, a company incorporated in Great Britain and registered in England and Wales Copies of the consolidated financial statements of Bloomsbury Publishing Plc may be obtained from the Company Secretary, Bloomsbury Publishing Plc, 50 Bedford Square, London WC1B 3DP