SHIRE PUBLICATIONS LIMITED

UNAUDITED DIRECTORS' REPORT AND
FINANCIAL STATEMENTS

Penod ended
29 February 2016

Company Registration Number. 00868867

Shire Publications Limited

DIRECTOR'S REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2016

The directors present their report and the financial statements for the period ended 29 February 2016

PRINCIPAL ACTIVITIES & BUSINESS REVIEW
The Company's principal activity is publishing

PRINCIPAL RISKS AND CONTROLS
A full review of the Bloomsbury Publishing Plc Group's ("Group") risk register setting out the risks facing the business and the controls in place for all companies within the Group was conducted by the Group Audit Committee during 2016 Details of this review can be found in the Annual Report of the Group which can be obtained from www bloomsbury-ir com or from the Company Secretary at the address in note 11

RESULTS
The Company's profit after tax for the period was £132,102 (year to 31 December 2014 profit after tax of £66,137)

The directors have recommended a final ordinary dividend of £260,000 (2014 £nil)

FUTURE DEVELOPMENTS
The Company is seeking expansion of its publishing interests both in fields where it is already strong and in areas where logical growth can be seen

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

J N Newton
WM Pallot
RDP Charkin

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
During the period the auditor, KPMG LLP resigned as the auditor of Shire Publications Limited For the period ending 29 February 2016 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies The members have not required the Company to obtain an audit of its financial statements for the period ended 29 February 2016 in accordance with section 476

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption

On behalf of the board

M Daykin

Company Secretary

20 February 2017

REGISTERED OFFICE
50 Bedford Square
London
WC1B 3DP

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The directors are responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial period Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Shire Publications Limited
STATEMENT OF COMPREHENSIVE INCOME
For the period ended 29 February 2016

	Note	14 months ended 29 February 2016 £	Year ended 31 December 2014 £
REVENUE		1,194,866	1,290,473
Cost of sales		(613,205)	(768,268)
GROSS PROFIT		581,661	522,205
Administrative expenses		(428,270)	(456,068)
PROFIT BEFORE TAXATION	2	153,391	66,137
Taxation	4	(21,289)	-
PROFIT AFTER TAX		132,102	66,137
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		132,102	66,137

The above income statement represents activities from the Company's continuing operations

The notes on pages 6 to 13 form part of these financial statements

Shire Publications Limited

STATEMENT OF FINANCIAL POSITION Company Registration Number 00868867
As at 29 February 2016

	Note	29 February 2016 £	31 December 2014 £
CURRENT ASSETS			
Inventories		128,866	275,131
Trade and other receivables	5	622,485	507,103
		751,351	782,234
Trade and other payables	6	(356,011)	(280,259)
Current tax liabilities		(21,201)	-
NET CURRENT ASSETS		374,139	501,975
TOTAL ASSETS LESS CURRENT LIABILITIES		374,139	501,975
Deferred tax liabilities	7	(62)	-
NET ASSETS		374,077	501,975
EQUITY			
Share capital	8	1,000	1,000
Retained earnings	9	373,077	500,975
TOTAL EQUITY		374,077	501,975

The notes on pages 6 to 13 form part of these financial statements

For the period ending 29 February 2016 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 period 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

These financial statements on pages 3 to 13 were approved and authorised for issue by the board of directors on 20 February 2017 and are signed on their behalf by

W Pallot

Director

Shire Publications Limited
STATEMENT OF CHANGES IN EQUITY
As at 29 February 2016

	Share capital	Retained earnings	Total
	£'000	£'000	£'000
Balance at 31 December 2013	1,000	434,838	435,838
Profit for the year	-	66,137	66,137
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	66,137	66,137
Balance at 31 December 2014	1,000	500,975	501,975
Profit for the period	-	132,102	132,102
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	132,102	132,102
Transactions with owners			
Dividends to equity holders of the company	-	(260,000)	(260,000)
Balance at 29 February 2016	1,000	373,077	374,077

1 ACCOUNTING POLICIES

(a) *Basis of accounting*
Shire Publications Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK 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

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") The amendments to FRS 101 issued in July 2015 and effective immediately have been applied In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken The presentation currency of these financial statements is sterling In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101 In the transition, the Company has made no measurement and recognition adjustments

The Company has early adopted changes to the Companies Act 2006 arising from SI 2015 No 980 and SI 2015 No 1972

The Company's ultimate parent undertaking, Bloomsbury Publishing Plc, includes the Company in its consolidated financial statements The consolidated financial statements of Bloomsbury Publishing Plc are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from the Company Secretary, Bloomsbury Publishing Plc, 50 Bedford Square, London WC1B 3DP In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 101 in respect of the following disclosures

- Comparative period reconciliations for shares capital, property plant and equipment and intangible assets,
- Cash flow statement and related notes,
- Disclosures in respect of capital management,
- An additional balance sheet as at 1 January 2014, being the date of transition to FRS 101,
- The effects of new but not yet effective IFRSs,
- Disclosures in respect of key management personnel, and
- Disclosures in respect of transactions with wholly owned subsidiaries

As the consolidated financial statements of Bloomsbury Publishing plc include the equivalent disclosures, the Company has also taken the exemption under FRS 101 available in respect of the following disclosures

- Certain disclosures required by IFRS 7 Financial Instruments

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 IFRS balance sheet at 1 January 2014 for the purposes of the transition to FRS 101

(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 £2 0m overdraft facility and a five year revolving credit facility of between £10m and £14m depending on the timing of the year (to reflect the Group's cash flow cycle)

The director, having assessed the responses of the directors of the parent Bloomsbury Publishing Plc, to their enquiries, has 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 the assessment of the Company's financial position and of the enquiries made of the directors of Bloomsbury Publishing Plc, the Company's director 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) *Revenue*
Revenue 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

- Revenue from book publishing is recognised when title passes A provision for anticipated returns is made based primarily on historical return rates If these do not reflect actual returns in future periods then revenues could be understated or overstated for a particular period
- Revenue from the sale of publishing and distribution rights, including film, paperback, electronic, overseas publishing rights, and sponsorship, is recognised when the Group has discharged its obligations under the arrangement to deliver the associated material, and the Company has either received appropriately enacted contractual documentation or received payment, whichever occurs first
- Revenue from e-book sales is recognised when content is delivered

(d) *Inventories*
Inventories include bound stock The cost of work in progress and finished goods represents the amounts invoiced to the Group for origination, paper, printing and binding Inventories are valued at the lower of cost and net realisable value. Cost is determined using the weighted average cost method Net realisable value represents the estimated selling price for stocks less all estimated costs of completion and costs necessary to make the sale Provisions are made for slow-moving and obsolete stock

(e) *Taxation*
The tax expense represents the sum of the tax currently payable and deferred tax.

i) Current tax
The tax currently payable is based on taxable profit for the period 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 periods 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 at the reporting date

ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit Deferred tax liabilities are generally recognised for all taxable temporary differences Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilised Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be generated to allow all or part of the asset to be recovered

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based upon tax rates that have been enacted or substantively enacted by the end of the reporting period

iii) Current and deferred tax for the period

Current and deferred tax is charged or credited in the profit and loss account, except when it relates to items credited or charged directly to other comprehensive

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously

(f) *Foreign currencies*

Transactions in currencies other than the functional currency are recorded in the functional currency at the rates of exchange prevailing on the dates of the transactions Assets and liabilities in foreign currencies are translated into sterling at closing rates of exchange at the balance sheet date

Exchange differences are charged or credited to the profit and loss within administrative expenses

(g) *Trade receivables*

Trade receivables are initially stated at fair value after provision for bad and doubtful debts and anticipated future sales returns and thereafter they are held at amortised cost

(h) *Trade payables*

Trade payables are not interest bearing and are initially recognised at fair value and subsequently at amortised cost using the effective interest method

(i) *Financial instruments*

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 entity after deducting for all of its financial liabilities

Dividends and distributions relating to equity instruments are debited direct to equity

(j) *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 receivables 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

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

Royalty advances to authors
Advances of royalties to authors are included within prepayments and accrued income when the advance is paid less any provision required to adjust the advance to its net realisable value The royalty advance is expensed at the contracted or effective royalty rate as the related revenues are earned

2 OPERATING PROFIT

The operating profit is stated after charging

	14 months ended 29 February 2016 £	Year ended 31 December 2014 £
Auditor's remuneration and non-audit fees	-	7,000

3 STAFF COSTS

Staff costs of £nil were paid by the Company during the period (year ended 31 December 2014 £191,616) Staff costs of £202,713 were recharged in the period from Bloomsbury Publishing Plc (year ended 31 December 2014 £nil)

During the period all employee contracts were transferred to Bloomsbury Publishing Plc 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 parent company, Bloomsbury Publishing Plc, and disclosed in the consolidated financial statements which are publically available from the address in note 11 A recharge is made to the Company in respect of services provided to the Company The recharge is part of the Group central cost recharge

Staff costs were as follows

	14 months ended 29 February 2016 £	Year ended 31 December 2014 £
Wages and salanes	-	170,106
Social secunty costs	-	16,932
Other pension costs	-	4,578
Employee costs recharged from Bloomsbury Publishing Plc	202,713	-
	202,713	191,616

4 TAXATION

(a) Analysis of tax charge in the penod

	14 months ended 29 February 2016 £	Year ended 31 December 2014 £
UK corporation tax		
Current tax on income for the penod	21,227	-
	21,227	-
Deferred tax (note 7)		
Current penod charge	62	-
Tax of profit	21,289	-

(b) Factors affecting the tax charge for the penod

The current tax charge for the penod is lower (2014 lower) than the standard rate of corporation tax in the UK of 20 21% (2014 21 50%) The differences are explained below

	14 months ended 29 February 2016 £	Year ended 31 December 2014 £
Profit before taxation	153,391	66,137
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20 21% (2014 21 50%)	31,000	14,219
Effects of		
Expenses not deductible for tax purposes	20	491
Movement in unprovided provisions	(221)	-
Movement in deferred tax rate	88	-
Group relief	(9,598)	(14,710)
Total tax charge	21,289	-

5 TRADE AND OTHER RECEIVABLES

	29 February 2016 £	31 December 2014 £
Trade receivables	308,661	199,086
Amounts due from Group undertakings	272,794	280,487
Prepayments and accrued income	41,030	27,530
	622,485	507,103

Amounts due from Group undertakings are unsecured, interest free and repayable on demand

6 TRADE AND OTHER PAYABLES

Amounts falling due within one year	29 February 2016 £	31 December 2014 £
Trade payables	20,608	219,516
Amounts owed to Group undertakings	268,518	-
Other payables	66,885	60,743
	356,011	280,259

Amounts due to Group undertakings are unsecured, interest free and repayable on demand

7 DEFERRED TAX

The deferred tax liability comprises the following	Fixed asset timing differences £
At 1 January 2014	-
Profit and loss	-
At 31 December 2014	-
Profit and loss	62
At 29 February 2016	62

The deferred tax liability is included in the financial statements at a corporation tax rate of 18%

8 SHARE CAPITAL

	29 February 2016 £	31 December 2014 £
Allotted, called up and fully paid		
1,000 ordinary shares of £1 each	1,000	1,000

9 RESERVES

Retained earnings
The retained earnings reserve comprises profit for the period and other items recognised directly through equity as presented on the statement of changes in equity

10 CONTINGENT LIABILITIES

The company had no contingent liabilities at 29 February 2016 or 31 December 2014

11 ULTIMATE PARENT COMPANY

The immediate parent company is Osprey Publishing Limited, a company incorporated in Great Britain and registered in England and Wales, by virtue of it holding 100% of the issued share capital of Shire Publications Limited

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

12 EXPLANATION OF TRANSITION TO FRS 101

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101 The accounting policies set out in note 1 have been applied in preparing the financial statements for the period ended 29 February 2016, and the comparative information presented in these financial statements for the year ended 31 December 2014 As a consequence of adopting FRS 101 there have been no restatements made to the originally reported balance sheet

Statement of Financial Position as at 1 January 2015

	As originally reported	Effect of conversion	As restated
	£	£	£
CURRENT ASSETS			
Stocks/Inventories	275,131	-	275,131
Debtors/Trade and other receivables	507,103	-	507,103
	782,234	-	782,234
Creditors/Trade and other payables	(280,259)	-	(280,529)
Current tax liabilities	-	-	-
NET CURRENT ASSETS	501,975	-	501,975
NET ASSETS	501,975	-	501,975

CAPITAL AND RESERVES/EQUITY			
Share capital	1,000	-	1,000
Profit and loss account/Retained earnings	500,975	-	500,975
SHAREHOLDERS' FUNDS/TOTAL EQUITY	501,975	-	501,975