

W & G Foyle Limited

REPORT AND FINANCIAL STATEMENTS

for the year ended
30 June 2015

TUESDAY



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COMPANIES HOUSE

Company Registration Number: 00945131

W & G Foyle Limited

DIRECTORS AND ADVISERS

DIRECTORS

WRC Foyle
WEF Samuel
PA Currie (appointed 16 February 2015)
S Husain (resigned 31 October 2015)
J Browne
RK Burnett
S Hamilton
BA Aspinall

SECRETARY

JL Browne

REGISTERED OFFICE

107 Charing Cross Road
London WC2H 0DT

AUDITOR

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP)
Chartered Accountants
25 Farringdon Street
London EC4A 4AB

W & G Foyle Limited

STRATEGIC REPORT

The directors submit their strategic report and the financial statements of W & G Foyle Limited for the year ended 30 June 2015.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Turnover for the year was £24.4 million (2014: £23.4 million), an increase of 4.3% over the previous year. Gross profit also increased by 0.6%, reflecting the continuation of the underlying improvement of the business and control of costs, during a period of significant change following the relocation of the Charing Cross Flagship store. The company remains cash positive with an EBITDA of £397,055 (2014: £356,433).

In February 2015, Paul Currie was appointed as CEO following the retirement of Sam Husain. Paul has spent many years working with successful retail brands and adds significant retailing and business development skills to the Board. The Board would like to express its warm appreciation of Sam's contribution during the eight years he led the company.

The 2014-2015 financial year saw the smooth and successful transition following the move to the new flagship store in Charing Cross Road. Loyal customers embraced and complimented the new store both on its layout and environment. In addition it was also clear that new customers previously deterred by the out-dated and challenging environment visited the store, including more family groups. This gives significant commercial opportunity to widen the customer base and appeal. During the first years trading the Foyles team embraced the possibilities offered by our new flagship shop. The Grand Opening Festival ended in July, attracting thousands into the store. Event highlights through the year in the new Auditorium included astronaut Chris Hadfield, Ali Smith, Yuval Harari and Ben Lerner. Branches across the estate played host to our Summer of Stories series of children's events. For Christmas 2014 we worked with W+K to create an ad campaign that ran across the tube network. In the first quarter of 2015 we began the process of overhauling our loyalty programme, "Foyalty", as part of the development of an integrated Customer Retention Program, which includes exclusive benefits for members.

In February 2015, the Board approved a business proposal to open a new unit at Grand Central shopping centre built above Birmingham New Street Station. The development, whilst not a traditional railway station retail operation, formed part of a major modernisation of what is the second busiest rail station outside of London. The commercial success of St Pancras and Waterloo stores was a considered factor in approving the proposal. Anchored by a 250,000 sq. ft. John Lewis, the site we committed to was located next to the store. The 4,600 sq. ft. store opened in September 2015. In addition, a selective refurbishment of the Royal Festival Hall shop was implemented.

Trading continues to be robust and ahead of the previous year at Foyles' branches in Westfield Stratford City, Waterloo, the Royal Festival Hall and Bristol. Meanwhile Foyles' website www.foyles.co.uk is undergoing significant restructuring of its operation as part of the repositioning of its offer and delivery. Foyles commercial accounts, whilst in a challenging market with the decline of traditional library business, is identifying new market opportunities including private library business and corporate gifting and continues to thrive.

Investment is on-going to improve our Head Office and reporting systems with a roll out of new Booksolve tillling system and improvements to our server infrastructure, ensuring a robust and secure infrastructure. All IT investment is planned and budgeted within our cash flow planning.

With a positive cash flow and healthy reserves and trading outlook both within the business and industry analysts' projections, Foyles is well placed to expand further and will continue to explore opportunities to open new branches.

Once again the Board recognises the importance of the team of dedicated professionals that work for the company and would like to record its appreciation of the outstanding service, dedication and commitment of the staff. The Board and executive management will continue the development of staff and managers through coaching and a structured programme of in-house and external training.

W & G Foyle Limited

STRATEGIC REPORT

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the company's strategies are subject to a number of risks including:

- Growth of new digital delivery of books
- Competition in the retail industry
- Poor economic conditions or slowdown
- Price competitiveness from internet and supermarket sales which will put pressure on margins
- Seasonal fluctuations in sales and cash flow
- Failure or interruption in product supply
- Failure or interruption of information technology systems
- Cost inflation and legislative change

KEY PERFORMANCE INDICATORS

Management review a range of KPIs on a monthly basis to monitor and control the performance of the various departments, shops and activities of the company. These KPIs include:

- Footfall and website visitors
- Average transaction value
- Average transactions by customer
- Sales by area and by headcount
- Headcount and wages by shop and department
- Number of titles and stock turn
- Overheads compared to budget
- Profit margins

By Order of the Board


PA Currie
Director

23 March 2016

W & G Foyle Limited

DIRECTORS' REPORT

The directors present their report and the financial statements of W & G Foyle Limited for the year ended 30 June 2015.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was bookselling and related activities.

DIRECTORS

The following directors have held office since 1 July 2014:

WRC Foyle
WEF Samuel
PA Currie (appointed 16 February 2015)
S Husain (resigned 31 October 2015)
JL Browne
RK Burnett
BA Aspinall
S Hamilton

RESULT AND DIVIDENDS

The company made a profit after taxation of £11,108 (2014: loss £676,307). The directors do not recommend the payment of a dividend.

GOING CONCERN

The financial statements have been prepared on a going concern basis. The accounting policy on going concern on page 10 sets out the factors considered by the directors in assessing the appropriateness of the going concern basis of preparation.

INDEMNIFICATION OF DIRECTORS

Qualifying third party indemnity is in place for directors who held office in the year.


STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) has expressed its willingness to continue in office.

By order of the board


PA Currie
Director

23 March 2016

W & G Foyle Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, 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 accounting estimates that are reasonable and prudent;
- c. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF W & G FOYLE LIMITED

We have audited the financial statements on pages 7 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2015 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

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

RSM UK Audit LLP

PAUL NEWMAN (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor

Chartered Accountants

25 Farringdon Street

London EC4A 4AB

23/08/2016

W & G Foyle Limited
PROFIT AND LOSS ACCOUNT
for the year ended 30 June 2015

	<i>Notes</i>	2015 £	2014 £
TURNOVER	1	24,358,133	23,373,863
Cost of sales		(17,408,960)	(16,856,201)
GROSS PROFIT		<u>6,949,173</u>	<u>6,517,662</u>
Operating expenses (net)	2	(7,091,874)	(7,228,894)
Other operating income	3	171,841	110,694
OPERATING PROFIT/(LOSS)		<u>29,140</u>	<u>(600,538)</u>
Interest payable	4	(18,032)	(2,438)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	5	<u>11,108</u>	<u>(602,976)</u>
Taxation	7	-	(73,331)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	16	<u><u>11,108</u></u>	<u><u>(676,307)</u></u>

The operating profit/(loss) for the year arises from the company's continuing operations.

No Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

W & G Foyle Limited

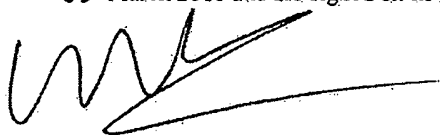
BALANCE SHEET

30 June 2015

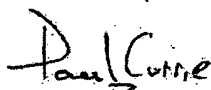
Company Registration Number: 00945131

	Notes	2015 £	2014 £
FIXED ASSETS			
Intangible fixed assets	8	2,156	2,888
Tangible fixed assets	9	1,666,021	1,474,152
		<u>1,668,177</u>	<u>1,477,040</u>
CURRENT ASSETS			
Stocks	10	3,023,286	3,160,073
Debtors - due within one year	11	3,281,820	3,173,646
- due after more than one year	11	638,875	638,875
Cash at bank and in hand		28,656	33,144
		<u>6,972,637</u>	<u>7,005,738</u>
CREDITORS: Amounts falling due within one year	12	(4,241,502)	(4,250,824)
NET CURRENT ASSETS		<u>2,731,135</u>	<u>2,754,914</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,399,312	4,231,954
CREDITORS: Amounts falling due after more than one year	13	(156,250)	-
NET ASSETS		<u>4,243,062</u>	<u>4,231,954</u>
CAPITAL AND RESERVES			
Called up share capital	14	1,200	1,200
Share Premium account	15	1,990,695	1,990,695
Profit and loss account	16	2,251,167	2,240,059
SHAREHOLDERS' FUNDS	17	<u>4,243,062</u>	<u>4,231,954</u>

The financial statements on pages 7 to 20 were approved and authorised for issue by the board of directors on 23 March 2016 and are signed on its behalf by:



WRC Foyle
Director



P Currie
Director

W & G Foyle Limited
CASH FLOW STATEMENT
for the year ended 30 June 2015

	<i>Notes</i>	2015 £	2014 £
Net cash inflow from operating activities	18a	348,190	268,131
Returns on investments and servicing of finance	18b	(18,032)	(2,438)
Capital expenditure and financial investment	18b	(559,052)	(990,013)
CASH OUTFLOW BEFORE FINANCING		<u>(228,894)</u>	<u>(724,320)</u>
Financing	18b	240,868	(76,666)
INCREASE/(DECREASE) IN CASH IN THE YEAR	18c	<u>11,974</u>	<u>(800,986)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

		2015 £	2014 £
Increase/(decrease) in cash in the year	18c	11,974	(800,986)
(Increase)/decrease in debt	18c	(240,868)	76,666
MOVEMENT IN NET DEBT IN YEAR		<u>(228,894)</u>	<u>(724,320)</u>
NET DEBT AT 1 JULY 2014	18c	(755,968)	(31,648)
NET DEBT AT 30 JUNE 2015	18c	<u>(984,862)</u>	<u>(755,968)</u>

W & G Foyle Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The accounting policies are consistent with those used in prior years.

GOING CONCERN

The directors are confident that the company's trading forecasts and cash flow projections show that it has adequate financial resources to continue to operate for the foreseeable future and is financially sound. For this reason, the going concern basis is considered appropriate for the preparation of the financial statements.

INTANGIBLE FIXED ASSETS

The cost of acquiring intellectual property rights is capitalised and written off evenly over 10 years as, in the opinion of the directors, this represents the useful economic life of such assets. Provision is made for any impairment.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value on a straight line basis over its expected useful life, as follows:

Leasehold improvements	over the unexpired lease term or 10-20% per annum on cost
Fixtures and fittings	20% per annum on cost
Office furniture and equipment	20-25% per annum at cost

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value in use, are recognised as impairments in the profit and loss account.

STOCKS

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling prices. Provisions are made for obsolete and slow moving items.

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 company's taxable profits and its 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 assets are recognised to the extent that it is regarded as more likely than not that they will be recoverable against suitable taxable profits in the foreseeable future.

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.

OPERATING LEASES

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term. Lease incentives such as rent free periods are spread on a straight line basis over the period to the date of the first rent review.

W & G Foyle Limited

ACCOUNTING POLICIES

PENSION CONTRIBUTIONS

The company makes contributions to the personal pension plans of certain senior employees. The amount charged to the profit and loss account in respect of pension costs is the contribution payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

FOREIGN CURRENCIES

Transactions expressed in foreign currencies have been translated into sterling at the rates of exchange approximating to those ruling at the dates of the transactions. Assets and liabilities have been translated at rates ruling at the balance sheet date. Exchange differences have been included in the profit and loss account.

TURNOVER

Turnover represents the value, net of Value Added Tax, of goods sold to customers and is recognised when goods are delivered and title has passed.

SHARE BASED PAYMENTS

The directors have considered the requirements of FRS20 *Share-Based Payment* which requires the fair value of options granted to be expensed on a straight line basis over the vesting period.

The fair value of options granted in the current year is not material to either the company's financial position or its result and as such, no adjustment has been made in these financial statements.

W & G Foyle Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit before taxation were all derived from its principal activity. All sales were made in the United Kingdom.

2 OPERATING EXPENSES (NET)

	2015 £	2014 £
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Distribution costs	208,688	249,436
Administration expenses (net)	6,883,186	6,979,458
Total operating expenses (net)	<u>7,091,874</u>	<u>7,228,894</u>

3 OTHER OPERATING INCOME

	2015 £	2014 £
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Concession and commission income	<u>171,841</u>	<u>110,694</u>
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4 INTEREST PAYABLE

	2015 £	2014 £
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Interest on bank loans and overdrafts	<u>18,032</u>	<u>2,438</u>
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5 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	2015 £	2014 £
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Profit/(loss) on ordinary activities before taxation is stated after charging/(crediting):

Depreciation and amounts written off tangible fixed assets:

Owned assets	367,183	569,385
Amortisation of intangible fixed assets	732	727
Impairment of tangible fixed assets	-	386,859

Operating lease rentals:

Land and buildings	2,026,833	2,242,218
Plant and machinery	-	10,047

Auditor's remuneration - statutory audit 27,500 26,750

Exceptional items - One off adjustments re rent/rates charges (375,183) (489,823)

- Compensation for loss of office 279,429 -

W & G Foyle Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

6	EMPLOYEES	2015 No.	2014 No.
	The average monthly number of persons (including directors) employed by the company during the year was:		
	Administrative	34	32
	Retail	169	170
		<u>203</u>	<u>202</u>
	Staff costs for above persons:	£	£
	Wages and salaries	3,899,431	3,800,740
	Social security costs	328,086	302,596
	Pension costs	35,370	5,380
	Compensation for loss of office	279,429	-
		<u>4,542,316</u>	<u>4,108,716</u>
	DIRECTORS' REMUNERATION	£	£
	Emoluments	432,187	338,172
	Company contributions to money purchase pension schemes	8,043	5,649
	Compensation for loss of office	279,429	-
		<u>719,659</u>	<u>343,821</u>
		No.	No.
	The number of directors to whom retirement benefits are accruing under money purchase schemes was:	1	3
		£	£
	Highest paid director:		
	Emoluments	116,065	134,779
	Company contributions to money purchase pension schemes	7,468	5,380
	Compensation for loss of office	279,429	-
		<u>402,962</u>	<u>140,159</u>

There were no share options exercised during the year.

W & G Foyle Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2015

7	TAXATION	2015 £	2014 £
	Current tax:		
	UK corporation tax	-	-
	Total current tax	-	-
	Deferred taxation:		
	Effect of decreased rate on opening asset	-	73,331
	Origination and reversal of timing differences	-	-
	Total deferred tax	-	73,331
	Tax on profit/(loss) on ordinary activities	-	73,331

2015
£

2014
£

The current tax assessed for the year is lower (2014: higher) than the standard rate of corporation tax in the UK. The differences are explained below:

Profit/(loss) on ordinary activities before tax	11,108	(602,976)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.75% (2014: 22.5%)	2,305	(135,678)
Effects of:		
Expenses not deductible for tax purposes	2,642	74,701
Depreciation (lower)/higher than capital allowances	(87,257)	(29,206)
Other short timing differences	410	-
Tax losses carried forward	81,900	90,183
Current tax charge for period	-	-

The company has trading losses of approximately £3.1 million (2014: £2.7 million) which, subject to agreement with HM Revenue & Customs, are available to carry forward and offset against future profits of the same trade.

A deferred tax asset of £421,046 (2014: £300,602) has been recognised in respect of trading losses which are expected to reverse within the foreseeable future based on forecasts of future profitability. No deferred tax asset has been recognised in respect of the remaining losses due to uncertainty over the amount and timing of future profits against which the losses can be offset. The unrecognised deferred tax asset in relation to such losses is £198,732 (2014: £242,342).

W & G Foyle Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2015

8 INTANGIBLE FIXED ASSETS

	Intellectual property £
Cost	
1 July 2014	32,280
Disposals	(25,000)
30 June 2015	7,280
Amortisation	
1 July 2014	29,392
Charge for the year	732
In respect of disposals	(25,000)
30 June 2015	5,124
Net book value	
30 June 2015	2,156
30 June 2014	2,888

9 TANGIBLE FIXED ASSETS

	Leasehold improvements £	Fixtures, fittings, office furniture & equipment £	Total £
Cost			
1 July 2014	2,234,155	2,939,640	5,173,795
Additions	456,927	102,125	559,052
Disposals	(217,184)	-	(217,184)
	<u>2,473,898</u>	<u>3,041,765</u>	<u>5,515,663</u>
Depreciation			
1 July 2014	1,684,324	2,015,319	3,699,643
Charge for the year	138,552	228,631	367,183
In respect of disposals	(217,184)	-	(217,184)
Transfers	(335,164)	335,164	-
	<u>1,270,528</u>	<u>2,579,114</u>	<u>3,849,642</u>
Net book value			
30 June 2015	<u>1,203,370</u>	<u>462,651</u>	<u>1,666,021</u>
30 June 2014	<u>549,831</u>	<u>924,321</u>	<u>1,474,152</u>

W & G Foyle Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

10	STOCKS	2015 £	2014 £
	Books, gifts and stationery	3,023,286	3,160,073
		<u> </u>	<u> </u>
11	DEBTORS	2015 £	2014 £
	Due within one year:		
	Trade debtors	246,846	144,750
	Other debtors	540,073	119,604
	Unpaid share capital	1,000,000	1,000,000
	Prepayments and accrued income	1,494,901	1,909,292
		<u>3,281,820</u>	<u>3,173,646</u>
	Due after more than one year:		
	Deferred tax	488,875	488,875
	Other debtors	150,000	150,000
		<u>638,875</u>	<u>638,875</u>
	Total	<u>3,920,695</u>	<u>3,812,521</u>

Other debtors falling due after more than one year represents anticipated recovery of monies due relating to historic claim.

	2015 £	2014 £
The deferred tax asset is made up as follows:		
Tax losses	421,046	300,602
Short term timing differences	851	-
Decelerated capital allowances	66,978	188,273
	<u>488,875</u>	<u>488,875</u>
	<u> </u>	<u> </u>
At 1 July	488,875	562,206
Deferred tax debited to profit and loss account	-	(73,331)
At 30 June	<u>488,875</u>	<u>488,875</u>

W & G Foyle Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

12	CREDITORS: Amounts falling due within one year	2015 £	2014 £
	Bank loans and overdraft	857,268	789,112
	Trade creditors	2,533,383	2,592,846
	Other taxation and social security costs	81,982	80,685
	Other creditors	-	81,709
	Accruals and deferred income	768,869	706,472
		<u>4,241,502</u>	<u>4,250,824</u>

Bank loans and overdraft disclosed above and in note 13 are secured by a fixed and floating charge over the assets of the company.

13	CREDITORS: Amounts falling due after more than one year	2015 £	2014 £
	Bank loans	156,250	-
		<u>156,250</u>	<u>-</u>
	Analysis of debt maturity	2015 £	2014 £
	Amount payable:		
	In one year or less or on demand	857,268	789,112
	In more than one year but not more than two years	75,000	-
	In more than two years but not more than five years	81,250	-
		<u>1,013,518</u>	<u>789,112</u>

14	SHARE CAPITAL	2015 £	2014 £
	Authorised:		
	25,000 ordinary shares of 5p each (2014: 25,000 ordinary shares of 5p each)	1,250	1,250
	22,000 'A' ordinary shares of 5p each (2014: 22,000 'A' ordinary shares of 5p each)	1,100	1,100
		<u>2,350</u>	<u>2,350</u>
	Allotted and issued		
	24,014 ordinary shares of 5p each (2014: 24,014 ordinary shares of 5p each)	1,200	1,200
		<u>1,200</u>	<u>1,200</u>

The ordinary shares and the 'A' ordinary shares rank pari passu as to dividend rights. The 'A' ordinary shares rank behind the ordinary shares on a winding up or other return of capital and do not generally entitle holders to receive notice of and/or to attend vote and speak at general meetings.

W & G Foyle Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

14 SHARE CAPITAL (continued)

The company has granted the following options, which remain exercisable, to subscribe for 'A' ordinary shares of 5p each.

	Grant date	Subscription price per share £	Period within which options are exercisable	Number of shares for which rights are exercisable	
				30.06.15	30.06.14
EMI Scheme	19.07.06	111	19.07.06-18.07.16	1,500	1,500
EMI Scheme	14.07.13	111	14.07.13-13.07.23	5,375	12,875
Unapproved Scheme	19.07.06	111	19.07.06-18.07.16	1,000	1,000
Unapproved Scheme	14.07.13	111	14.07.13-13.07.23	5,875	5,875
15 SHARE PREMIUM				2015	2014
				£	£
1 July 2014 and 30 June 2015				1,990,695	1,990,695
Share capital of £1,000,000 remains outstanding from the Rights Issue in 2014 and is included in other debtors.					
16 PROFIT AND LOSS ACCOUNT				2015	2014
				£	£
1 July 2014				2,240,059	2,916,366
Profit/(loss) for the financial year				11,108	(676,307)
30 June 2015				2,251,167	2,240,059
17 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS				2015	2014
				£	£
Profit/(loss) for the financial year				11,108	(676,307)
Opening shareholders' funds				4,231,954	4,908,261
Closing shareholders' funds				4,243,062	4,231,954

W & G Foyle Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

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CASH FLOWS		2015	2014
		£	£
a	Reconciliation of operating profit/(loss) to net cash inflow from operating activities:		
	Operating profit/(loss)	29,140	(600,538)
	Depreciation and impairment of tangible fixed assets	367,183	956,244
	Amortisation of intangible fixed assets	732	727
	Decrease in stocks	136,787	286,769
	Increase in debtors	(108,174)	(785,282)
	(Decrease)/increase in creditors	(77,478)	410,211
	Net cash inflow from operating activities	348,190	268,131
b	Returns on investments and servicing of finance		
	Interest paid	(18,032)	(2,438)
	Net cash outflow for returns on investment and servicing of finance	(18,032)	(2,438)
	Capital expenditure and financial investment		
	Purchase of tangible fixed assets	(559,052)	(990,013)
	Net cash outflow for capital expenditure and financial investment	(559,052)	(990,013)
	Financing		
	New loan	300,000	-
	Loan repayments	(59,132)	(76,666)
	Net cash inflow/(outflow) from financing	240,868	(76,666)

W & G Foyle Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

19 COMMITMENTS UNDER OPERATING LEASES

At 30 June 2015 the company had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Land and buildings		
expiring in the first year	40,000	35,000
expiring in the second to fifth year	388,833	510,964
expiring after more than five years	1,598,000	1,986,833
Total	<u>2,026,833</u>	<u>2,532,797</u>

20 RELATED PARTY DISCLOSURES

The company rents its flagship store on Charing Cross Road from Noved Investment One Limited at an annual rental of £1,200,000 (2014: £1,200,000).

In the current year, the company received rent rebates from Noved Investment One Limited of £226,054 (2014: £300,000).

Included within additions to tangible fixed asset are purchases from Noved Investment One Limited of £198,725 (2014: nil).

At the year-end the company was owed £1,000,000 in respect of unpaid share capital being £652,300 due from WRC Foyle (2014: £652,300) and £347,700 due from Noved Investment Holdings Limited. (2014: £347,700).

WRC Foyle and WEF Samuel have an interest in Noved Investment One Limited.

WEF Samuel has an interest in Noved Investment Holdings Limited.

21 TRANSACTIONS WITH DIRECTORS

WEF Samuel received a loan of £75,000 on 18 September 2014; £50,000 was repaid on 25 June 2015 and £25,000 repaid on 26 June 2015. The balance outstanding as at 30 June 2015 was £nil (2014: £nil).

22 ULTIMATE CONTROLLING PARTY

The company's ultimate controlling party is WRC Foyle.