

Hart Publishing Limited

DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS

Year ended
28 February 2017

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Hart Publishing Limited

DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2017

The directors present their annual report and unaudited financial statements for the year ended 28 February 2017.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company continued to trade during the year as a legal publisher.

KEY PERFORMANCE INDICATORS

The key performance indicators for the Company include revenue and profit before taxation. Revenue for the year to 28 February 2017 was £2,573,380 (year ended 29 February 2016: £2,312,285); the Company profit before taxation for the year was £297,131 (year ended 29 February 2016: £377,855).

FUTURE DEVELOPMENTS

The Company is continuing to seek expansion of its publishing interests both in fields where it is already strong and in areas where logical growth can be seen.

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 2017. 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 17.

RESULTS AND DIVIDENDS

The Company's profit after taxation for year ended 28 February 2017 was £298,976 (year ended 29 February 2016: £348,724). The Directors recommend a dividend of £nil (2016: £nil).

DIRECTORS

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

JN Newton
R Charkin
W Pallot

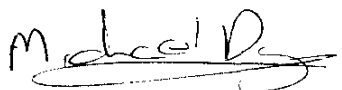
Directors are granted an indemnity from the Company to the extent permitted by law in respect of liabilities incurred as a result of their office.

AUDIT EXEMPTION

For the year ended 28 February 2017 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 year ended 28 February 2017 in accordance with section 476.

The directors have taken the exemption provided under section 414B of the Companies Act 2006 from presenting a strategic report.

By order of the board



M Daykin
Company Secretary
27 November 2017

REGISTERED OFFICE

50 Bedford Square
London
WC1B 3DP

Hart Publishing 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 (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.

Hart Publishing Limited

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 28 February 2017

	<i>Note</i>	Year Ended 28 February 2017 £	Year ended 29 February 2016 £
REVENUE	2	2,573,380	2,312,285
Cost of sales		(973,781)	(843,834)
GROSS PROFIT		1,599,599	1,468,451
Administrative costs		(1,302,468)	(1,090,503)
OPERATING PROFIT	2	297,131	377,948
Finance costs	4	-	(93)
PROFIT BEFORE TAXATION		297,131	377,855
Taxation	5	1,845	(29,131)
PROFIT FOR THE FINANCIAL YEAR		298,976	348,724
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		298,976	348,724

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

The notes on pages 6 to 15 form part of these financial statements.

Hart Publishing Limited

STATEMENT OF FINANCIAL POSITION

As at 28 February 2017

	Note	28 February 2017 £	29 February 2016 £
NON-CURRENT ASSETS			
Intangible assets	6	50,304	60,369
Property, plant and equipment	7	3,186	4,974
Deferred tax assets	10	1,503	1,551
		<u>54,993</u>	<u>66,894</u>
CURRENT ASSETS			
Inventories	8	725,619	680,495
Trade and other receivables	9	2,046,317	1,844,665
		<u>2,771,936</u>	<u>2,525,160</u>
Trade and other payables	11	(582,321)	(567,968)
Current tax liabilities		-	(78,454)
		<u>-</u>	<u>-</u>
NET CURRENT ASSETS		<u>2,189,615</u>	<u>1,878,738</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,244,608</u>	<u>1,945,632</u>
Deferred tax liabilities	10	-	-
NET ASSETS		<u>2,244,608</u>	<u>1,945,632</u>
EQUITY			
Share capital	13	104	104
Retained earnings	14	2,244,504	1,945,528
		<u>2,244,608</u>	<u>1,945,632</u>

The notes on pages 6 to 15 form part of the financial statements.

For the year ending 28 February 2017 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 3 to 15 were approved and authorised for issue by the board of directors on 29 November 2017 and are signed on its behalf by



W Pallot
Director

Hart Publishing Limited

STATEMENT OF CHANGES IN EQUITY

As at 28 February 2017

	Share capital	Capital contribution reserve	Retained earnings	Total
	£	£	£	£
Balance at 28 February 2015	104	-	1,596,804	1,596,908
Profit for the year	-	-	348,724	348,724
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	348,724	348,724
Capital contribution from ultimate parent company	-	6,208	-	6,208
Recharge of share based payment charge from the ultimate parent company	-	(6,208)	-	(6,208)
Balance at 29 February 2016	104	-	1,945,528	1,945,632
Profit for the year	-	-	298,976	298,976
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	298,976	298,976
Capital contribution from ultimate parent company	-	219	-	219
Recharge of share based payment charge from the ultimate parent company	-	(219)	-	(219)
Balance at 28 February 2017	104	-	2,244,504	2,244,608

Hart Publishing Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 28 February 2017

1 ACCOUNTING POLICIES

(a) *Basis of accounting*

Hart Publishing 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”). 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. The registered address of the Company is 50 Bedford Square, London, WC1B 3DP.

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;
- Statement of cash flows and related notes;
- Disclosures in respect of capital management;
- 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:

- IFRS 2 share based payments in respect of instruments of the ultimate parent company; and
- 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 have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

(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, a £6m uncommitted term loan 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).

Hart Publishing Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 28 February 2017

The directors, having assessed the responses of the directors of the 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) *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.
- Subscription revenue is recognised on a straight line basis over the period to which it relates.
- Revenue from the sale of publishing and distribution rights, including film, paperback, electronic, overseas publishing rights, and sponsorship, is recognised when the Company 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) *Intangible assets*

Intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is provided on intangible assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Product development	-	20-33% straight line basis
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Amortisation is pro-rated in the years of acquisition and disposal of an asset. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively if appropriate.

(e) *Property, plant and equipment*

Property, plant and equipment 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. Depreciation is pro-rated in the years of acquisition and disposal of an asset. The annual rates used for this purpose are:

Fixture and fittings	-	10% straight line basis
Computer equipment	-	25% straight line basis

Hart Publishing Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 28 February 2017

(f) *Inventories*

The cost of work in progress and finished goods represents the amounts invoiced to the Company 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 inventories less all estimated costs of completion and costs necessary to make the sale. Provisions are made for slow-moving and obsolete stock.

(g) *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 year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other 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 year*

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.

(h) *Operating leases*

The total amount payable is charged or credited to the income statement evenly over the term of the lease.

(i) *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.

Hart Publishing Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 28 February 2017

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

(j) *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.

(k) *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.

(l) *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 statement of comprehensive income 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. Part of any award granted under the plan is subject to a Total Shareholder Return performance condition. The fair value of this element of the awards is calculated using the Stochastic model. The other part of any award granted under the plan is subject to an Earnings Per Share performance condition. The fair value of this element of the awards is calculated using the Black-Scholes model.

Awards granted under the Company's Share Option Plan are equity settled. The award is subject to an Adjusted Earnings Per Share growth performance condition. The fair value of this award is calculated using the Black-Scholes model.

(m) *Impairment of non-financial assets*

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

(n) *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,

Hart Publishing Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 28 February 2017

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 inventory at the lower of cost and net realisable value.

(o) *New standards, amendments and IFRIC interpretations*

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 28 February 2017, have had a material impact on the company.

2 REVENUE AND OPERATING PROFIT

	Year ended 28 February 2017 £	Year ended 29 February 2016 £
Revenue by destination:		
United Kingdom	1,255,291	1,150,101
Continental Europe	392,253	391,690
North America	504,491	354,965
Far and Middle East	255,528	256,682
Rest of the World	165,817	158,847
	<u>2,573,380</u>	<u>2,312,285</u>
Operating profit is stated after charging/(crediting):		
Amortisation of intangible assets (note 6)	31,853	23,039
Depreciation of property, plant and equipment (note 7)	2,310	6,287
Staff costs (note 3)	342,869	318,918
Operating leases (note 12)	8,750	35,000
Exchange gain	-	(13,714)
	<u></u>	<u></u>

3 STAFF COSTS AND DIRECTORS' EMOLUMENTS

Staff costs of £342,869 were recharged in the year from Bloomsbury Publishing Plc (year ended 29 February 2016: £318,918).

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

Hart Publishing Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 28 February 2017

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 17. 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.

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

	Year ended 28 February 2017 £	Year ended 29 February 2016 £
<i>Director's emoluments, excluding pension contributions</i>		
Total	33,756	55,504
Highest paid director	14,220	23,481
<i>Pension contributions</i>		
Total	2,534	3,496
Highest paid director	1,581	2,176

Two (2016: Two) directors accrued pension benefits under defined contribution pension arrangements during the year.

4	FINANCE COSTS	Year ended 28 February 2017 £	Year ended 29 February 2016 £
	Interest payable to HMRC	-	93
5	TAXATION	Year ended 28 February 2017 £	Year ended 29 February 2016 £
(a)	Analysis of tax (credit)/ charge for the year		
	UK corporation tax		
	Current tax on income for the year	-	78,454
	Adjustment in respect of prior years	(1,893)	(46,370)
		(1,893)	32,084
	Deferred taxation (note 10):		
	Current year charge/ (credit)	48	(2,953)
	Tax on profit	(1,845)	29,131

Hart Publishing Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 28 February 2017

(b) Factors affecting tax (credit)/ charge for the year

The tax (credit)/ charge for the year is lower (2016: lower) than the standard rate of corporation tax in the UK of 20.00% (2016: 20.08%). The differences are explained below:

	28 February 2017 £	29 February 2016 £
Profit before tax	297,131	377,855
Profit multiplied by the standard rate of corporation tax in the UK of 20.00% (2016: 20.08%)	59,426	75,886
Effects of:		
Expenses not deductible for tax purposes	463	1,679
Adjustment to tax charge in respect of previous periods	(1,893)	(46,370)
Movement in unrecognised temporary differences	3,930	(2,241)
Movement in deferred tax rate	93	177
Group relief surrender	(63,864)	-
Total tax (credit)/ charge	(1,845)	29,131

6 INTANGIBLE ASSETS

	Product Development £
Cost	
At 1 March 2016	91,761
Additions	21,788
At 28 February 2017	113,549
Amortisation	
At 1 March 2016	31,392
Charge for the year	31,853
At 28 February 2017	63,245
Net book value	
At 28 February 2017	50,304
At 29 February 2016	60,369

Product development amortisation is included in cost of sales.

Hart Publishing Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 28 February 2017

7	PROPERTY, PLANT AND EQUIPMENT	Fixture and Fittings	Computer Equipment	Total
	Cost	£	£	£
	At 1 March 2016	14,727	46,637	61,364
	Additions	-	522	522
	At 28 February 2017	14,727	47,159	61,886
	Depreciation			
	At 1 March 2016	13,863	42,527	56,390
	Charge for the year	403	1,907	2,310
	At 28 February 2017	14,266	44,434	58,700
	Net book value			
	At 28 February 2017	461	2,725	3,186
	At 29 February 2016	864	4,110	4,974

Depreciation is included in administrative costs.

8	INVENTORIES	28 February 2017	29 February 2016
		£	£
	Work in progress	168,832	173,333
	Finished goods	556,787	507,162
		725,619	680,495
9	TRADE AND OTHER RECEIVABLES	28 February 2017	29 February 2016
		£	£
	Amounts owed by Group undertakings	1,911,528	1,724,168
	Other receivables	6,180	-
	Prepayments and accrued income	128,609	120,497
		2,046,317	1,844,665

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

Hart Publishing Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 28 February 2017

10 DEFERRED TAX

The deferred tax assets/(liabilities) comprises the following:

	Fixed asset timing differences £
At 1 March 2015	(1,402)
Credit to the Statement of Comprehensive Income	2,953
At 29 February 2016	1,551
Charge to the Statement of Comprehensive Income	(48)
At 28 February 2017	1,503

The deferred tax liability is included in the financial statements at a corporation tax rate of 17%.

11	TRADE AND OTHER PAYABLES	28 February 2017 £	29 February 2016 £
	Amounts falling due within one year:		
	Trade payables	89,937	155,785
	Amounts due to Group undertakings	280,072	196,892
	Other taxation and social security	18,330	-
	Other payables	7,999	38,352
	Accruals and deferred income	185,983	176,939
		582,321	567,968

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

12	OPERATING LEASES	28 February 2017 £	29 February 2016 £
	At 28 February 2017 the Company had the following commitments under non-cancellable operating leases which expire:		
	Within one year	-	8,750
	Later than one year and less than five years	-	-
		-	8,750

The operating leases represent rentals payable by the Company for office properties.

13	SHARE CAPITAL	28 February 2017 £	29 February 2016 £
	48 Ordinary A shares of £1 each	48	48
	47 Ordinary B shares of £1 each	47	47
	4 Ordinary F shares of £1 each	4	4
	1 Ordinary G shares of £1 each	1	1
	4 Ordinary H shares of £1 each	4	4
		104	104

Hart Publishing Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 28 February 2017

14 RESERVES

Retained earnings

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

15 SHARE BASED PAYMENTS

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 period to the Company.

16 COMMITMENTS AND CONTINGENT LIABILITIES

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 2017 the Group had no draw down (2016: £1.4 million) of this facility with £12.0 million of undrawn borrowing facilities (2016: £14.1 million) available.

In May 2016 Bloomsbury extended the revolving credit facility with Lloyds Bank plc under new terms. The existing facility expired in July 2016 and the new facility took over from then for a further five years. The new facility comprises a £10 million to £14 million committed revolving loan facility (amount dependent on time during the year to match Bloomsbury's cash flow cycle), an uncommitted incremental term loan facility of up to £6 million and a £2 million overdraft facility. The overdraft facility is available until December 2017 and the loan facilities mature in May 2021. All facilities are subject to two covenants being a maximum net debt to EBITDA ratio and a minimum interest cover covenant.

17 ULTIMATE PARENT COMPANY

The immediate and 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.