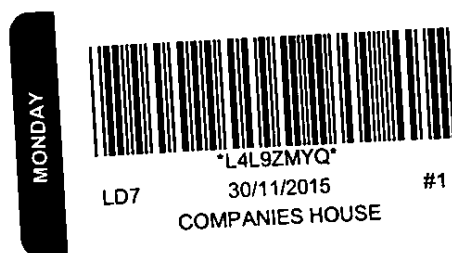


Hart Publishing Limited

DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS

Year ended
28 February 2015



Company Registration Number 03307205

Hart Publishing Limited

DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2015

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

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 turnover and profit before tax. Turnover for the year to 28 February 2015 was £3,718,321 (period ended 28 February 2014 £2,530,276), the Company profit before tax for the year was £1,033,778 (period ended 28 February 2014 £214,612)

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 2015. 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 tax for year ended 28 February 2015 was £814,809 (period ended 28 February 2014 £162,813)

DIRECTORS

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

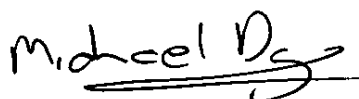
JN Newton
R Charkin
W Pallot

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 2015 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 2015 in accordance with section 476

By order of the board



M Daykin
Company Secretary
30 November 2015

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 (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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Hart Publishing Limited
PROFIT AND LOSS ACCOUNT
For the year ended 28 February 2015

	<i>Note</i>	Year Ended 28 February 2015 £	Period ended 28 February 2014 £
TURNOVER		3,718,321	2,530,276
Cost of sales		(1,533,379)	(1,350,604)
GROSS PROFIT		2,184,942	1,179,672
Administrative costs		(1,151,164)	(963,594)
OPERATING PROFIT	2	1,033,778	216,078
Interest payable	4	-	(1,466)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,033,778	214,612
Taxation	5	(218,969)	(51,799)
PROFIT FOR THE PERIOD	13	814,809	162,813

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 profit for the years stated above, and their historical cost equivalents

The notes on pages 5 to 11 form part of the financial statements

Hart Publishing Limited

BALANCE SHEET

As at 28 February 2015

Company Registration Number 3307205

	<i>Note</i>	28 February 2015 £	28 February 2014 £
FIXED ASSETS			
Tangible fixed assets	6	72,219	23,442
CURRENT ASSETS			
Stocks	7	618,468	556,990
Debtors	8	1,718,165	859,416
Cash at bank and in hand		-	117,449
		<u>2,336,633</u>	<u>1,533,855</u>
CREDITORS amounts falling due within one year	9	(810,542)	(773,848)
		<u>1,526,091</u>	<u>760,007</u>
NET CURRENT ASSETS			
		<u>1,598,310</u>	<u>783,449</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
Deferred tax liability	10	(1,402)	(1,350)
		<u>1,596,908</u>	<u>782,099</u>
NET ASSETS			
		<u>1,596,908</u>	<u>782,099</u>
CAPITAL AND RESERVES			
Share capital	12	104	104
Profit and loss account	13	1,596,804	781,995
		<u>1,596,908</u>	<u>782,099</u>
SHAREHOLDERS' FUNDS	14	1,596,908	782,099

The notes on pages 6 to 12 form part of the 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 3 to 11 were approved and authorised for issue by the board of directors on 30 November 2015 and are signed on its behalf by



W Pallot
Director

Hart Publishing Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 28 February 2015

1 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.

Certain of the Company's accounting policies were changed to become aligned with the accounting policies of the new parent company, Bloomsbury Publishing Plc, and its group. The new policies resulted in a £380,092 charge to the profit and loss in the period ended 28 February 2014 in respect of the stock obsolescence provision, provisions for liabilities and deferred income.

(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 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 e-book sales is recognised when content is delivered
- Subscription revenue is recognised on a straight line basis over the period to which it relates

(d) *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. Depreciation is pro-rated in the years of acquisition and disposal of an asset. The annual rates used for this purpose are:

Hart Publishing Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 28 February 2015

Fixture and fittings	-	10%
Computer equipment	-	25%
Product and System development	-	20%-33%

(e) *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.

(f) *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.

(g) *Operating leases*

The total amount payable is charged or credited to the profit and loss account evenly over the term of the lease.

(h) *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.

(i) *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:

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.

Hart Publishing Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 28 February 2015

2	OPERATING PROFIT	Year ended 28 February 2015 £	Period ended 28 February 2014 £
	Operating profit is stated after charging		
	Depreciation of tangible fixed assets (note 6)	14,277	10,450
	Staff costs (note 3)	312,463	415,134
	Operating leases (note 11)	37,682	40,072
	Exchange (gain)/loss	(847)	6,542

3 STAFF COSTS AND DIRECTORS' EMOLUMENTS

Staff costs of £ nil were paid by the Company during the year (period ended 28 February 2014 £181,835) Staff costs of £312,463 were recharged in the year from Bloomsbury Publishing Plc (period ended 28 February 2014 £233,299)

During the prior year 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 up to the acquisition by Bloomsbury Publishing Plc was paid by the Company Directors' remuneration from the date of acquisitions 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

Staff costs for the year comprise

	Year ended 28 February 2015 £	Period ended 28 February 2014 £
Staff costs (including directors' emoluments)		
Wages and salaries	-	158,782
Social security costs	-	18,908
Other pension costs	-	4,145
Employee costs recharged from Bloomsbury Publishing Plc	312,463	233,299
	<u>312,463</u>	<u>415,134</u>

Three (2014 three) directors were accruing benefits during the period under defined contribution pension arrangements

4	INTEREST PAYABLE	Year ended 28 February 2015 £	Period ended 28 February 2014 £
	Bank interest	-	1,466

Hart Publishing Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 28 February 2015

5	TAXATION	28 February 2015 £	28 February 2014 £
(a)	Analysis of tax charge for the period		
	UK corporation tax		
	Current tax on income for the period	218,917	50,449
	Deferred taxation (note 10)		
	Current period charge	52	1,350
	Tax on profit on ordinary activities	<u>218,969</u>	<u>51,799</u>

(b) Factors affecting tax charge for the period

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

	28 February 2015 £	28 February 2014 £
Profit on ordinary activities before tax	1,033,778	214,612
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21 17% (2014 23%)	218,816	49,361
Effects of		
Capital allowances in excess of depreciation	(56)	470
Expenses not deductible for tax purposes	157	170
Other	-	448
Total current tax charge	<u>218,917</u>	<u>50,449</u>

6	TANGIBLE FIXED ASSETS	Fixture and Fittings £	Computer Equipment £	Product & System Development	Total £
	Cost				
	At 1 March 2014	15,314	89,727	7,563	112,604
	Additions	-	1,256	61,748	63,004
	Disposals	(587)	(44,346)	-	(44,933)
	At 28 February 2015	<u>14,727</u>	<u>46,637</u>	<u>69,311</u>	<u>130,675</u>
	Depreciation				
	At 1 March 2014	11,636	76,140	1,386	89,162
	Charge for the year	1,343	5,917	6,967	14,227
	Disposals	(587)	(44,346)	-	(44,933)
	At 28 February 2015	<u>12,392</u>	<u>37,711</u>	<u>8,353</u>	<u>58,456</u>
	Net book value				
	At 28 February 2015	<u>2,335</u>	<u>8,926</u>	<u>60,958</u>	<u>72,219</u>
	At 28 February 2014	<u>3,678</u>	<u>13,587</u>	<u>6,177</u>	<u>23,442</u>

Hart Publishing Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 28 February 2015

7	STOCKS	28 February 2015 £	28 February 2014 £
	Work in progress	111,140	62,518
	Finished goods	507,328	494,472
		<u>618,468</u>	<u>556,990</u>
8	DEBTORS	28 February 2015 £	28 February 2014 £
	Trade debtors	-	651,985
	Amounts owed by group companies	1,563,037	139,971
	Other debtors	-	16,292
	Prepayments and accrued income	155,128	51,168
		<u>1,718,165</u>	<u>859,416</u>
9	CREDITORS	28 February 2015 £	28 February 2014 £
	Amounts falling due within one year		
	Trade creditors	18,356	357,980
	Current tax payable	269,366	50,449
	Other taxation and social security	127,065	-
	Other creditors	4,540	-
	Accruals and deferred income	391,215	365,419
		<u>810,542</u>	<u>773,848</u>

10 DEFERRED TAX

The deferred tax liability comprises the following

	Fixed asset timing differences £
At 1 March 2014	1,350
Profit and loss account	52
At 28 February 2015	<u>1,402</u>

The deferred tax liability is included in the financial statements at a corporation tax rate of 20%

Hart Publishing Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 28 February 2015

11	OPERATING LEASES	28 February 2015 Land and Buildings £	28 February 2014 Land and Buildings £
	At 28 February 2015 the Company had annual commitments under non-cancellable operating leases which expire		
	Within one year	-	-
	Later than one year and less than five years	37,682	37,682
		<u>37,682</u>	<u>37,682</u>
12	SHARE CAPITAL	28 February 2015 £	28 February 2014 £
	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
		<u>104</u>	<u>104</u>
13	PROFIT AND LOSS ACCOUNT		Profit and loss account £
	At 1 March 2014		781,995
	Retained profit for the year		814,809
	At 28 February 2015		<u>1,596,804</u>
14	RECONCILIATION OF SHAREHOLDERS' FUNDS	28 February 2015 £	28 February 2014 £
	Profit for the period	814,809	162,813
	Net increase in shareholders' funds	<u>814,809</u>	<u>162,813</u>
	Opening shareholders' funds	782,099	619,286
	Closing shareholders' funds	<u>1,596,908</u>	<u>782,099</u>

Hart Publishing Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 28 February 2015

15 RELATED PARTIES

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 immediate and 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.

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 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.

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.