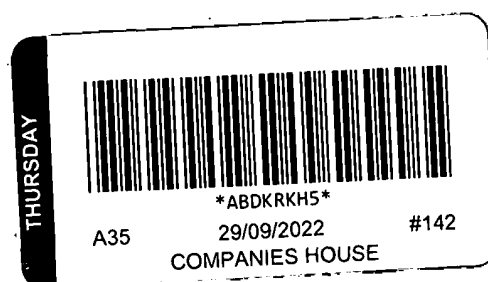


Registered number: 05332629

WOODLANDS BOOKS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**



WOODLANDS BOOKS LIMITED

COMPANY INFORMATION

Directors	Stephen Davies Mark Gardiner Joel Rickett Nancy Twynam Thomas Weldon
Company secretary	Mark Gardiner
Registered number	05332629
Registered office	20 Vauxhall Bridge Road London SW1V 2SA
Independent auditor	KPMG LLP 15 Canada Square Canary Wharf London E14 5GL

WOODLANDS BOOKS LIMITED

CONTENTS

	Page
Strategic Report	1 - 6
Directors' Report	7 - 8
Directors' Responsibilities Statement	9
Independent Auditor's Report	10 - 13
Profit and Loss Account	14
Statement of Comprehensive Income	15
Balance Sheet	16 - 17
Statement of Changes in Equity	18
Notes to the Financial Statements	19 - 32

WOODLANDS BOOKS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The directors present their Strategic Report for Woodlands Books Limited ("the Company") for the year ended 31 December 2021.

Principal Activities

The Company is a joint undertaking between The Random House Group Limited and BBC Studios Distribution Limited ("BBC"). As The Random House Group Limited owns 85% of the joint undertaking the Company is treated as its subsidiary. The Company is UK domiciled and registered in the United Kingdom. The principal activity of the Company continues to be book publishing.

Business review

The results and financial position of the company are set out in the attached financial statements. The Company made a profit for the financial year of £367,098 (2020: £2,132,067).

Principal risks and uncertainties

The Company is subject to risk management procedures and an annual risk assessment implemented by the ultimate parent Company, Bertelsmann SE & Co KGaA. The Company has procedures in place to make the directors aware of the various risks to the Company's business. The risks are monitored and reported to management. The changing book market and particularly the transition to digital is creating both challenges and opportunities for the Company, notably regarding the latter in terms of new markets and sales channels. The Company is facing increased pressure on margins. Other risks arise from the entry of non-traditional publishers into the market, the decline in retail space in high street bookshops and economic uncertainty.

Covid - 19

The safety of our employees is a major concern for us and the Company has implemented a comprehensive program of employee safety management and communication through each developing stage in the fight against this global pandemic. We follow governmental advice on safe working conditions and good business practice.

The directors of the Company do not see COVID-19 impacting their view that the Company will continue to operate as a going concern through 2022 and the foreseeable future.

Financial key performance indicators

The Company monitors progress and performance during the year and historical trend data is set out in the following KPIs:

Turnover was £7,845,397 (2020: £9,796,095).
Gross profit percentage was 43.6% (2020: 56.6%)

WOODLANDS BOOKS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Directors' statement of compliance with section 172

The Directors of the company must act in accordance with a set of general duties, as detailed in section 172 of the UK Companies Act 2006, summarised as follows:

'A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- the likely consequences of any decisions in the long-term;
- the interest of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between the shareholders of the company.'

The directors fulfil these duties as follows:

The interest of the company's employees

The board recognises that employees are central to the long-term success of the company. The company systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests.

Employee involvement in the company is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the company plays a major role in maintaining its prosperity. The Company encourages the involvement of employees by means of regular meetings with staff and staff representatives to keep them informed of the Company's progress. The company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or sexual orientation.

Business relationships with suppliers, customers and others

The directors appreciate the importance of fostering business relationships with key stakeholders, such as customers and suppliers, and focus on the maintenance and growth of these relationships in their decision-making and strategic planning. The company employs dedicated relationship managers to foster these relationships which also ensures the board has a high degree of visibility to take stakeholder considerations into account.

WOODLANDS BOOKS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

PRH Streamlined Energy and Carbon Reporting Disclosure 2021

UK Greenhouse gas emissions and energy use data for the period 1 January 2021 to 31 December 2021. The previous year 2020 have been included to demonstrate Penguin Random House's commitment to reducing their energy use and greenhouse gas emissions.

Energy Consumption - Green Electricity – PRH made the decision to purchase electricity from Renewable Resources from October 2018 onwards.

	2020	2021
Total Energy Consumption kWh	10,962,570	9,994,580
Total Electricity Procurement kWh	5,959,860	5,314,610
Percentage "Green Electricity"	100%	100%
Total Heat Procurement in kWh	4,809,220	4,446,640
Primary Energy Consumption in kWh	193,490	233,330

In 2021

- Penguin Random House UK Facilities replace end of life lighting with LED lights as standard practice reducing usage year on year.
- Installed Solar PV panels on the roof of one of the Distribution Centres. This is predicted to provide 13.5% of that site's total electricity usage.
- Due to the Covid 19 Virus Penguin Random House employee travel and commuting increased slightly but was still not as high as in pre pandemic years.
- There are noticeably higher emissions in scope 3 in 2021, this is due to higher CO2 factors for paper suppliers, distribution packaging, and transport.

Targets

Penguin Random House UK is committed to managing environmental issues effectively across our entire value chain. We have set three key targets for the future. The details of these are outlined in the PRH Sustainability Policy:

https://www.penguin.co.uk/content/dam/company-pages/sustainability-hub/Spring_21_Penguin_Sustainability_Policy.pdf

- **Zero by 30:** reduce our carbon footprint to become climate neutral in our direct operations by 2021, and in our wider supply chain by 2030
- **Sustainable sourcing:** ensure 100% of our paper and other core materials are ethically and sustainably sourced
- **Content:** use the power of our brand, books and authors to amplify the climate emergency and encourage positive behaviour change

WOODLANDS BOOKS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

PRH Streamlined Energy and Carbon Reporting Disclosure 2021 (continued)

Site related emissions	unit	2020n	2021	D
Scope 1 Stationary Fuels	t CO2e	21	32	52%
Scope 1 Refrigerant Losses	t CO2e	141	36	-74%
Scope 2 Electricity	t CO2e	-	-	-
Scope 2 Heat	t CO2e	982	1,178	20%
Total	t CO2e	1,144	1,246	9%

Employee related emissions	unit	2020n	2021	D
Scope 1 Mobile Fuels	t CO2e	32	33	3%
Scope 3 Business Travel	t CO2e	55	82	49%
Scope 3 Employee Commuting	t CO2e	1,018	1,413	39%
Scope 3 IT Devices	t CO2e	499	229	-54%
Scope 3 Office Paper	t CO2e	43	37	-14%
Total	t CO2e	1,647	1,794	9%

Product related emissions	unit	2020n	2021	D
Scope 3 Paper Manufacture	t CO2e	14,412	21,284	48%
Scope 3 Printers / Print Materials	t CO2e	11,163	14,059	26%
Scope 3 CD/DVD Manufacturing	t CO2e	-	65	-
Scope 3 Warehouse Services	t CO2e	-	461	-
Scope 3 Transport	t CO2e	5,832	9,278	59%
<i>Paper Mill to Printer</i>	<i>t CO2e</i>	<i>2,365</i>	<i>3,645</i>	<i>54%</i>
<i>Other Materials to Printer</i>	<i>t CO2e</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Printer to Warehouse</i>	<i>t CO2e</i>	<i>2,114</i>	<i>4,070</i>	<i>92%</i>
<i>Distribution (Delivery & Returns)</i>	<i>t CO2e</i>	<i>1,353</i>	<i>1,563</i>	<i>16%</i>
Scope 3 Packaging & Transport Materials	t CO2e	-	785	-
Scope 3 Video Production	t CO2e	-	-	-
Total before consolidation	t CO2e	31,407	45,932	46%

Other Scope 3 Emissions	unit	2020n	2021	D
Scope 3 Waste	t CO2e	83	168	102%
Scope 3 Energy related emissions	t CO2e	125	151	21%
Scope 3 End of Life (product waste)	t CO2e	900	889	-1%
Total	t CO2e	1,108	1,208	9%

Total Emissions	t CO2e	35,306	50,180	42%
------------------------	---------------	---------------	---------------	------------

WOODLANDS BOOKS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

PRH Streamlined Energy and Carbon Reporting Disclosure 2021 (continued)

Total Emissions	unit	2020n	2021	D
Scope 1	t CO2e	194	101	-48%
Scope 2	t CO2e	982	1,178	20%
<i>thereof heat</i>	t CO2e	982	1,178	20%
Scope 3	t CO2e	34,130	48,901	43%
Sum S1+S2+S3	t CO2e	35,306	50,180	42%

Intensity Ratio	Unit	2020	2021	D
Tonnes of CO2e per £M Revenue	t CO2e	63.99	96.87	51%

Reporting Methodology

We have followed the UK BEIS (Department Business, Energy & Industrial Strategy) 2019 guidance. The energy and emission figures provided are taken from Bertelsmann's "Green Screen", this a Bertelsmann owned internal recording application used by all companies within the Bertelsmann Group including Penguin Random House UK. All conversions are completed using government guidance ratios and the scopes 1, 2 and 3 are as outlined by BEIS guidance pages 50 and 51.

WOODLANDS BOOKS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Community and environment

The company's approach is to use its position of strength to ensure it is an asset to the communities and people with which it interacts. The board ensures significant consideration is given to the impact of the company's operations on the community and environment in their decision-making. The company strives to create positive change in reducing the environmental impact of its businesses and to meet the highest level of health and safety and environmental standards, whilst maintaining effective and continuing business practices.

Shareholders

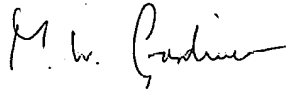
The board recognises the importance of regular and open dialogue with the shareholders and the need to ensure the strategy and goals of the company are effectively communicated to them. Feedback on these plans and objectives is welcomed by the directors and major business decisions are made closely and with the approval of the shareholders.

General

The Company is presenting the financial statements in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101).

This report was approved by the board on 9 September 2022

and signed on its behalf.



Mark Gardiner
Director

WOODLANDS BOOKS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report and the financial statements for the year ended 31 December 2021.

Future developments

Looking ahead, the market remains challenging and the economic backdrop remains similarly tough. Nonetheless the Company will continue to seek suitable publishing opportunities to ensure growth. The directors do not anticipate any significant changes in the activities of the Company. The directors of the Company do not see COVID-19 impacting their view that the Company will continue to operate as a going concern through 2022 and 2023 and the foreseeable future.

Results and dividends

The profit for the year, after taxation, amounted to £367,098 (2020 - £2,132,067).

Dividends of £2,300,000 were paid during 2021 (2020: £Nil).

Directors

The directors who served during the year were:

Mark Gardiner
Joel Rickett
Nancy Twynam
Thomas Weldon
Stephen Davies

Registered Office

The address of the Company's registered office is 20 Vauxhall Bridge Road, London, SW1V 2SA.

Financial instruments

It is the Company's policy to implement financial risk management objectives and policies, for each major type of forecasted transaction. The directors consider the entity's exposure to price risk, credit risk, liquidity risk and cash flow risk as insignificant.

WOODLANDS BOOKS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate given the following considerations.

Directors considered the operating nature of the entity and expectations for the future trading along with the outstanding inter-company payables and inter-company receivables for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds through funding from its ultimate parent Bertelsmann SE & Co. KGaA and repayment of outstanding balances from fellow subsidiaries to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Bertelsmann SE & Co. KGaA not seeking repayment of the amounts currently due to the group and providing additional financial support during that period. Bertelsmann SE & Co. KGaA has indicated its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any Company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial. Further details regarding the adoption of the going concern basis can be found in Note 2 to the financial statements.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Under section 487(2) of the Companies Act 2006, KPMG LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 9 September 2022

and signed on its behalf.



Mark Gardiner
Director

20 Vauxhall Bridge Road
London
SW1V 2SA

WOODLANDS BOOKS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

WOODLANDS BOOKS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOODLANDS BOOKS LIMITED

Opinion

We have audited the financial statements of WOODLANDS BOOKS LIMITED ("the Company") for the year ended 31 December 2021 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to the Penguin Random House Limited's ("PRHL") policies and procedures to prevent and detect fraud that apply to this group

WOODLANDS BOOKS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOODLANDS BOOKS LIMITED

company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the limited rationalisations and opportunities to fraudulently recognise revenue.

We did not identify any additional fraud risks.

We performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by specific users, those posted to unrelated accounts and those posted unusually to cash or borrowings.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

WOODLANDS BOOKS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOODLANDS BOOKS LIMITED

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page , the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

WOODLANDS BOOKS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOODLANDS BOOKS LIMITED

The purpose of our audit work and to whom we owe our responsibilities

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.



David Arnold (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

Date: 12 September 2022

WOODLANDS BOOKS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	7,845,397	9,796,095
Cost of sales		(4,428,363)	(4,250,423)
Gross profit		3,417,034	5,545,672
Distribution costs		(431,916)	(500,754)
Administrative expenses		(2,522,498)	(2,417,108)
Operating profit	5	462,620	2,627,810
Interest receivable and similar income	8	-	22,154
Interest payable and similar expenses		(5,194)	-
Profit before tax		457,426	2,649,964
Tax on profit	10	(90,328)	(517,897)
Profit for the financial year		367,098	2,132,067

The notes on pages 19 to 32 form part of these financial statements.

WOODLANDS BOOKS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Profit for the financial year		367,098	2,132,067
Other comprehensive income:			
		-	-
		-	-
Total comprehensive income for the year		367,098	2,132,067

The notes on pages 19 to 32 form part of these financial statements.

Continuing operations

None of the company's activities were acquired or discontinued during the current year or previous year.

WOODLANDS BOOKS LIMITED
REGISTERED NUMBER: 05332629

BALANCE SHEET
AS AT 31 DECEMBER 2021

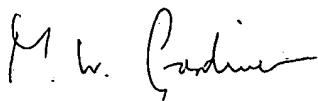
	Note	2021 £	2020 £
Fixed assets			
Current assets			
Stocks	11	1,008,136	867,778
Debtors: amounts falling due within one year	12	10,523,606	14,570,503
Advance royalties	1313	736,802	354,782
Cash at bank and in hand		16,566	1,439
		<u>12,285,110</u>	<u>15,794,502</u>
Creditors: amounts falling due within one year	14	(2,985,540)	(4,256,375)
Net current assets		<u>9,299,570</u>	<u>11,538,127</u>
Total assets less current liabilities		<u>9,299,570</u>	<u>11,538,127</u>
Creditors: amounts falling due after more than one year	15	(576,318)	(559,221)
		<u>8,723,252</u>	<u>10,978,906</u>
Provisions for liabilities			
Other provisions	16	(976,574)	(1,299,326)
		<u>(976,574)</u>	<u>(1,299,326)</u>
Net assets		<u><u>7,746,678</u></u>	<u><u>9,679,580</u></u>

WOODLANDS BOOKS LIMITED
REGISTERED NUMBER: 05332629

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Capital and reserves			
Called up share capital	17	1,000	1,000
Share premium account		5,147,527	5,147,527
Profit and loss account		2,598,151	4,531,053
		<u>7,746,678</u>	<u>9,679,580</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 September 2022.



Mark Gardiner
Director

The notes on pages 19 to 32 form part of these financial statements.

WOODLANDS BOOKS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2020	1,000	5,147,527	2,398,986	7,547,513
Comprehensive income for the year				
Profit for the year	-	-	2,132,067	2,132,067
Total comprehensive income for the year	-	-	2,132,067	2,132,067
At 1 January 2021	1,000	5,147,527	4,531,053	9,679,580
Comprehensive income for the year				
Profit for the year	-	-	367,098	367,098
Total comprehensive income for the year	-	-	367,098	367,098
Dividends: Equity capital	-	-	(2,300,000)	(2,300,000)
At 31 December 2021	1,000	5,147,527	2,598,151	7,746,678

The notes on pages 19 to 32 form part of these financial statements.

Called up share capital

The called up share capital account records the nominal value of shares issued.

Share premium account

The share premium account is used to record the premium on shares issued.

Profit and loss account

This includes all current and prior period retained profits and losses. All reserves in respect of profit and loss are distributable reserves.

WOODLANDS BOOKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. General information

The Company is a private company limited by shares. Woodlands Books Limited is a book publisher that sells its books globally with the majority of the sales in the UK. The Company is a joint undertaking between The Random House Group Limited and BBC Studios Distribution Limited ("BBC"). The Random House Group Limited owns 85% of the joint venture, and the Company is treated as its subsidiary. The Company is UK domiciled and registered in the United Kingdom. The address of its registered office is 20 Vauxhall Bridge Road, London, SW1V 2SA.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

2.3 New standards, amendments and IFRIC interpretations

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2021 that have had a material impact on the Company's financial statements.

WOODLANDS BOOKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.4 Going concern

The directors have considered the operating nature of the entity and expectations for future trading for a period of 12 months from the date of approval of these financial statements. It indicates that, taking account of reasonably possible downsides, the company will have sufficient funds through funding from its ultimate parent Bertelsmann SE & Co. KGaA to realise its assets and settle its liabilities in the ordinary course of business for that period.

This is dependent upon Bertelsmann SE & Co. KGaA providing the required funding through this period through the cash pooling arrangement. Bertelsmann SE & Co. KGaA has indicated its intention to continue to make available such funds as are needed by the company. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Given the dependency on the Ultimate Parent the directors have also considered the work carried out by Group management in relation to the Group's going concern assessment focusing on cash flow, liquidity position and the ability of the Group to meet known and potential liabilities and concluded that having analysed the impact of COVID 19, the Group has sufficient headroom and will be able to provide support to the company.

2.5 Foreign Currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in pound sterling, which is also the functional currency of the Company.

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Nonmonetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

WOODLANDS BOOKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.6 Turnover

Turnover is measured at the fair value of the consideration received or receivable for the sale of goods and services net of value-added tax, rebates, trade marketing costs and discounts. Turnover from the sale of books is recognised when title passes. A provision for anticipated returns is made based primarily on historical return rates. If these estimates do not reflect actual returns in future periods, then turnover could be understated or overstated for a particular period.

On certain contracts, where the Company acts as agent, turnover is recognised inclusive of any commissions and fees receivable for services rendered. Any third party costs incurred on behalf of the principal that are rechargeable under the contractual arrangement are included in turnover with a corresponding expense recognised in administrative expenses in the income statement.

2.7 Income from Subrights

Income from licensing and subrights are recognised as turnover when the the performance obligation under the agreement has been satisfied.

An assessment is made on the nature of each licence to determine if the customer receives a right to access or use of the company's intellectual property. The point of recognition is dependent upon this assessment when the rights are transferred and used.

Any incremental costs incurred by the Company in obtaining the license contracts are recognised as an asset if recovery of these costs is expected.

2.8 Royalty advances

Advances of royalties paid to authors are recognised once a contract is approved within the royalty system, provided it is a signature advance or has had a manuscript accepted on the work. These become payable once a manuscript is marked as accepted in the future.

For unpublished titles, the contracts are assessed twice a year, to determine whether the value of a title is diminished from its original acquisition value.

For published titles, the Company assesses bi-yearly the difference between the gross advance paid and the royalty earnings and sub rights income at the point of review. A provision is then applied to bring the advances to their net realisable value.

Once the author advance is earned out, future author payments are expensed at the contracted or effective royalty rate as the related turnover is earned.

2.9 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

WOODLANDS BOOKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.10 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balance on a net basis.

2.11 Stocks

Stocks mainly comprise finished goods and work in progress in respect of books, and are stated at the lower of cost and net realisable value.
Cost is determined using FIFO method.

Cost includes the direct costs of paper, printing and binding incurred on a title by title basis. Plant costs, which do not vary with the number of copies printed (for example typesetting, origination and illustration), are charged to the income statement in full on publication.

A provision is made for excess, obsolete and slow moving stocks. Net realisable value is calculated as the estimated selling price in the ordinary course of business less applicable variable selling expenses.

WOODLANDS BOOKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.12 Financial assets

The company classifies its financial assets in the following categories:

- Amortised Cost.
- Fair Value through profit or loss (FVTPL)
- Fair Value through other comprehensive income (FVOCI)

The classification depends on the purpose for which the financial assets were acquired i.e. the entity's business model for managing the financial assets and/or the contractual cash flow characteristics of the financial asset.

The Company financial assets include receivables. The company classifies its financial assets as at amortised cost only if both of the following criteria are met (and are not designated as FVTPL):

- The asset is held within a business model whose objective is to collect the contractual cash flows, and
- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest.

Subsequent to initial recognition these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other (expenses)/income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the profit or loss under 'net impairment losses on financial and contract assets.

The company does not have any assets classified at FVOCI nor FVTPL.

The company assesses at the end of each reporting period whether there is objective evidence that one or more event has occurred which has impacted on the estimated cash flows of the financial asset.

Financial assets are impaired and impairment losses are incurred only if such objective evidence of impairment can be reliably measured.

2.13 Trade debtors and amounts owed by group undertakings

Trade debtors and amounts owed by group undertakings are stated at amortised cost after provision for bad and doubtful debts. The provision for such events is shown separately in provisions for other liabilities.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for insignificant trade debtors and a risk score on an individual basis for significant trade debtors. To measure the expected credit losses, trade debtors are grouped based on shared credit risk characteristics and the balance of uninsured debt across the Company.

No impairment provision is made on amounts owed by group undertakings on the grounds that they are repayable on demand.

WOODLANDS BOOKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.14 Trade creditors and amounts owed to group undertakings

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates, underlying assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable and relevant under the circumstances.

Key accounting estimates and assumptions

(i) Stocks Provisioning

The Company publishes books and is subject to changing customer demands. As a result it is necessary to consider the recoverability of the cost of stock. When calculating the stock provision, management considers the ageing of the stock as well as predicted future sales based on historical sales data by publishing imprint.

(ii) Returns Provision

The Company has agreements in place to allow customers to return books. As a result the Company makes an estimate of future returns based on historic data, the ageing of sales and business experience.

(iii) Advances

Advances of royalties paid to authors are recognised once a contract is approved within the royalty system, provided it is a signature advance or has had a manuscript accepted on the work, less any provision required to adjust the advance to its net realisable value for unpublished titles. The realisable value of royalty advances relies on a degree of management judgement in determining the profitability of individual author contracts. If the estimated realisable value of author contracts is overstated then this will have an adverse effect on operating profits as these excess amounts will be written off. The recoverability of royalty advances is assessed twice a year and is based upon a detailed management review of the age of the advance, the future sales projections for new authors and prior sales history of repeat authors. The realisable value will then be adjusted on a title by title basis to reflect the result of this analysis. The royalty advance is expensed at the contracted or effective royalty rate as the related turnover is earned. The carrying amount of royalty advances are included in other debtors, see note 12 for reference.

WOODLANDS BOOKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

4. Turnover

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	6,309,184	8,734,490
Rest of the world	1,536,213	1,061,605
	<u>7,845,397</u>	<u>9,796,095</u>

Turnover includes supplies made to geographical locations worldwide. The products sold, means of selling and commercial terms are similar across the various markets and, in the opinion of the directors, the geographical markets supplied are not substantially different from each other. Geographical analysis is based on the region in which the order is received. It would not be materially different if based on the country in which the customer is located.

5. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Stock recognised as an expense	2,297,651	2,674,841
Impairment of trade receivables/(Reversal of impairment)	38,771	(31,929)
Impairment of stock	177,551	53,633
Personnel costs including:		
- wages and salaries	290,399	288,681
- Social security costs	32,914	32,382
- Other pension costs	18,641	19,011
	<u>2,967,927</u>	<u>3,098,627</u>

The audit fee for the Company has been borne by its immediate parent company, The Random House Group Limited (RHG). Audit fees borne on the Company's behalf amount to £7,403 (2020: £7,403). Administrative expenses and Distribution costs include costs of £1,767,822 (2020: £2,509,428) recharged from RHG during the year.

6. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Editorial	<u>5</u>	<u>5</u>

WOODLANDS BOOKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Directors remuneration

	2021 £	2020 £
Directors' remuneration:		
Aggregate emoluments	115,496	48,565
Amounts receivable under long term incentives	2,394	2,391
Company pension contributions to money purchase schemes	10,216	3,394
	<u>128,106</u>	<u>54,350</u>

Administration expenses include the above remuneration to directors of the Company in respect of their services to the Company.

	2021 £	2020 £
Highest paid director:		
Emoluments	65,301	35,651
Defined benefit pension scheme accrued	6,504	1,259
	<u>71,805</u>	<u>36,910</u>

Although three (2020: three) of the directors of the Company have service contracts with either Penguin Books Limited or The Random House Group Limited, a proportion of their time and efforts are spent on providing executive services to Woodlands Books Limited.

The following directors of the Company are paid by either Penguin Books Limited or The Random House Group Limited as follows:

Director	Paid by
T Weldon	Penguin Books Limited
M Gardiner	The Random House Group Limited
J Rickett	The Random House Group Limited

Two (2020: two) directors are paid directly by the BBC with no recharge to Woodlands Books Limited as their services to the Company are considered incidental to their BBC responsibilities. Accordingly, the schedule above includes no emoluments in respect of these two (2020: two) directors.

WOODLANDS BOOKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Interest receivable

	2021 £	2020 £
Interest receivable on cash pooling	-	22,154
	<u>-</u>	<u>22,154</u>

9. Interest payable and similar expenses

	2021 £	2020 £
Interest payable on cash pooling	5,194	-
	<u>5,194</u>	<u>-</u>

10. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	86,911	503,493
Adjustments in respect of previous periods	(74)	14,404
	<u>86,837</u>	<u>517,897</u>
Double taxation relief	(13,964)	(11,221)
	<u>72,873</u>	<u>506,676</u>
Foreign tax		
Foreign tax on income for the year	17,455	11,221
Total current tax	<u>90,328</u>	<u>517,897</u>
Taxation on profit on ordinary activities	<u>90,328</u>	<u>517,897</u>

WOODLANDS BOOKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>457,426</u>	<u>2,649,964</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	86,911	503,493
Effects of:		
Withholding tax not creditable	3,491	-
Adjustments to tax charge in respect of prior years	(74)	14,404
Total tax charge for the year	<u><u>90,328</u></u>	<u><u>517,897</u></u>

Factors that may affect future tax charges

The current year tax charge represents amounts payable to fellow UK subsidiaries of the Bertelsmann group in respect of current year tax losses surrendered in the UK.

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021.

11. Stocks

	2021 £	2020 £
Work in progress	422,638	375,894
Finished goods	585,498	491,884
	<u><u>1,008,136</u></u>	<u><u>867,778</u></u>

The cost of stock is recognised as cost of sales. Stock is stated after provision for impairment of £461,404 (2020: £283,852). No stock has been pledged as security for liabilities.

WOODLANDS BOOKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. Debtors

	2021 £	2020 £
Trade debtors	35,225	12,856
Amounts owed by group undertakings	10,488,237	14,540,087
Other debtors	144	17,560
	<u>10,523,606</u>	<u>14,570,503</u>

Amounts owed by group undertakings are unsecured and repayable on demand. The balances are interest free, except for £5,271,527 (2020: £6,972,130) in respect to the cash pooling agreement with the Company's immediate parent company, The Random House Group Limited. Interest is charged on these amounts on a monthly basis; the average interest rate for the year ranges from 0.05% to 2.79% for the year (2020: ranged from 0.05% to 2.79%).

Receivables are stated after provision for impairment of £96,950 (2020: £58,178).

13. Advance royalties

Included in advance royalties is £736,802 (2020: £354,782) relating to manuscripts which will either not be published for over a year or staged advances which are date linked over several years rather than to specific titles.

14. Creditors: Amounts falling due within one year

	2021 £	As restated 2020 £
Trade creditors	1,532,409	1,327,782
Royalty creditors	594,163	951,596
Amounts owed to group undertakings	472,222	694,482
Corporation tax	72,947	492,272
Accruals and deferred income	313,799	790,243
	<u>2,985,540</u>	<u>4,256,375</u>

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

Due to the material size of the balances involved, the directors have decided to disclose "Royalty creditors" separately from Trade creditors in the current year. In order for consistency with the current year treatment, prior year balances have also been reclassified. The impact of this was a decrease in trade creditors of £951,596 and an increase in Royalty creditors of the same amount. There was no impact on the Company's net assets at 1 January or 31 December 2020 or resultant tax impact for 2020.

WOODLANDS BOOKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. Creditors: Amounts falling due after more than one year

	2021 £	As restated 2020 £
Royalty creditors	576,318	559,221
	<u>576,318</u>	<u>559,221</u>

16. Provisions

	Returns provision £	Discounts provision £	Onerous contract provision £	Total £
At 1 January 2021	743,228	556,098	-	1,299,326
Charged to profit or loss	564,552	297,728	114,294	976,574
Utilised in year	(743,228)	(556,098)	-	(1,299,326)
At 31 December 2021	<u>564,552</u>	<u>297,728</u>	<u>114,294</u>	<u>976,574</u>

Onerous contracts

Where a provision is greater than the advance paid on manuscripts which have not yet been delivered, the company recognises the excess as an onerous contract rather than disclosing in the total unpublished provision included in debtors.

Returns provision

The Company has agreements in place to allow customers to return books. As a result the Company makes an estimate of future returns based on historic data, the ageing of sales and business experience. The provision is expected to be utilised within 12 months from the balance sheet date.

Discount provision

The company has agreements in place to offer discounts on goods offered to customers, usually as a reward for repeated business.

17. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
1,000 (2020 - 1,000) Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

WOODLANDS BOOKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

18. Commitments

There were commitments to authors for the payment of royalty advances amounting to £2,456,834 at 31 December 2021 (2020: £1,403,294).

19. Related party transactions

The Company is a joint venture between The Random House Group Limited ("RHG") and BBC Studios Distribution Limited ("BBC"). As RHG owns 85% of the joint venture, the Company is treated as its subsidiary. RHG is a wholly owned subsidiary of Penguin Random House Ltd ("PRHL"). At the balance sheet date PRHL was owned by Bertelsmann UK Limited. The Company's ultimate parent company is Bertelsmann SE & Co KGaA, which is incorporated in Germany. Copies of Bertelsmann SE & Co KGaA's consolidated financial statements (the smallest and largest financial statements in which the company is consolidated) can be obtained from:

Bertelsmann SE & Co KGaA
Corporate Communications
Carl Bertelsmann Strasse 270
33311 Gütersloh
Germany

WOODLANDS BOOKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

20. Related party transactions

During the year the Company entered into the following material transactions with related parties not wholly owned by PRHL. All these entities are subsidiaries within the Bertelsmann SE & Co KGaA group:

	2021 £	2020 £
Sales:		
Random House Australia Pty Limited	298,832	161,959
Penguin Random House Canada Limited	24,531	17,079
Random House Publishers India Private limited	7,587	1,614
Penguin Random House South Africa (PTY) Limited	11,656	8,896
Distribution expenses:		
The Book Service Limited	426,607	481,989
Other administrative expenses:		
Penguin Books Limited	25,178	-
The Random House Group Limited	2,026,269	-
Interest income:		
The Random House Group Limited	-	22,154
Interest expense:		
The Random House Group Limited	5,194	-
Dividend paid:		
The Random House Group Limited	1,955,000	-
Debtors:		
The Random House Group Limited	4,843,168	6,972,130
The Book Service Limited	5,148,819	1,199,983
Penguin Books Limited	22,628	-

Creditor balances are unsecured and no guarantees have been received. Creditor balances will be settled in cash