Company Registration No. 01186721

Marston Book Services Limited

Annual Report and Financial Statements

Year Ended 31 December 2017

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Marston Book Services Limited

COMPANY INFORMATION AND PROFESSIONAL ADVISORS

Registered office:	160 Eastern Avenue Milton Park Abingdon Oxfordshire OX14 4SB
Directors:	P J Holloran (Chairman) R Clayton
Auditor:	RSM UK Audit LLP The Pinnacle 170 Midsummer Boulevard Milton Keynes MK9 1BP

Marston Book Services Limited
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Marston Book Services Limited
DIRECTORS' REPORT

The directors present their report together with the audited financial statements for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The principal activity of the company continued to be that of book and journal fulfilment, subscriptions management and digital printing.

DIRECTORS

The directors who served the company during the year and through to the date of this report were as follows:

P J Holloran (Chairman)
R Clayton

THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

Qualifying third party indemnity provision is in place for the benefit of all directors of the company.

STATEMENT OF DISCLOSURE TO AUDITOR

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

A resolution to reappoint RSM UK Audit LLP as auditor will be put to the members at the Annual General Meeting.

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

By order of the board

R Clayton
Director

24 September 2018

Marston Book Services Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS

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 accounting estimates that are reasonable and prudent;

c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Opinion

We have audited the financial statements of Marston Book Services Limited (the 'company') for the year ended 31 December 2017 which comprise the statement of income and retained earnings, statement of financial position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARSTON BOOK SERVICES LIMITED

Use of our report

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.

RSM UK Audit LLP

GRAHAM RICKETTS (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
The Pinnacle
170 Midsummer Boulevard
Milton Keynes
MK9 1BP

Date: 28 September 2018

Marston Book Services Limited

STATEMENT OF INCOME AND RETAINED EARNINGS

For the year ended 31 December 2017

	Notes	2017 £	2016 £
TURNOVER	*2*	7,053,931	6,918,761
Administrative expenses		(7,085,442)	(6,785,374)
OPERATING (LOSS) / PROFIT		(31,511)	133,387
Interest receivable and similar income	*3*	4,946	5,144
Interest payable and similar charges	*4*	(6,908)	(6,356)
(LOSS) / PROFIT BEFORE TAXATION		(33,473)	132,175
Taxation	*6*	4,541	(17,182)
(LOSS) / PROFIT AFTER TAXATION AND (LOSS) /PROFIT FOR THE FINANCIAL YEAR		(28,932)	114,993
RETAINED EARNINGS AT 1 JANUARY		2,200,143	2,585,150
Dividends paid or payable	*7*	-	(500,000)
RETAINED EARNINGS AT 31 DECEMBER		2,171,211	2,200,143

Marston Book Services Limited

STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

Company Registration No. 01186721

	Notes	2017 £	2016 £
FIXED ASSETS			
Intangible assets	8	32,382	14,371
Tangible assets	9	257,863	284,560
Investments	10	75,525	75,525
		365,770	374,456
CURRENT ASSETS			
Stocks	12	91,119	75,640
Debtors due within one year	13	1,862,375	1,676,641
Cash at bank and in hand		2,124,404	2,256,307
		4,077,898	4,008,588
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	14	(1,959,918)	(1,872,585)
NET CURRENT ASSETS		2,117,980	2,136,003
TOTAL ASSETS LESS CURRENT LIABILITIES		2,483,750	2,510,459
Creditors: amounts falling due after more than one year	15	(50,928)	(44,164)
Provisions for liabilities	16	(11,611)	(16,152)
NET ASSETS		2,421,211	2,450,143
CAPITAL AND RESERVES			
Called up share capital	17	250,000	250,000
Profit and loss account	17	2,171,211	2,200,143
TOTAL EQUITY		2,421,211	2,450,143

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 6 to 19 were approved and authorised for issue by the Board of Directors on 24 September 2018 and are signed on their behalf by:

R Clayton
Director

Marston Book Services Limited
ACCOUNTING POLICIES
For the year ended 31 December 2017

GENERAL INFORMATION
Marston Book Services Limited (the 'company') is a private company limited by shares domiciled and incorporated in England and Wales. The address of the company's registered office and principal place of business is 160 Eastern Avenue, Milton Park, Abingdon, Oxfordshire, OX14 4SB.

The principal activities and the nature of the company's operations are disclosed in the Directors' Report.

BASIS OF ACCOUNTING
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, as applicable to companies subject to the small companies regime, and under the historical cost convention. The disclosure requirements of section 1A of FRS102 have been applied other than where additional disclosure is required to show a true and fair view.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

CONSOLIDATED FINANCIAL STATEMENTS
The company has taken advantage of the exemption in section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. Consequently, these financial statements present the financial position and financial performance of the company as a single entity.

The financial statements of the company are consolidated in the financial statements of Violia Media Services Limited which are available from its registered office at 160 Eastern Avenue, Milton Park, Abingdon, Oxfordshire, OX14 4SB.

GOING CONCERN
The directors have reviewed cash flow forecasts and the company's funding requirements and availability of cash resources for the coming year. The directors remain satisfied with the company's funding and liquidity position and, on the basis of the forecasts, have concluded that the going concern basis of preparation continues to be appropriate.

FUNCTIONAL AND PRESENTATIONAL CURRENCIES
The financial statements are presented in sterling which is also the functional currency of the company.

TURNOVER
Turnover is recognised at the fair value of the consideration received or receivable for the provision of services to external customers in the ordinary course of business.

Turnover is recognised when the provision of services is substantially fulfilled and is shown net of Value Added Tax. Where books have been delivered to a reseller and the books are held by that reseller on a consignment basis, the revenue for the services rendered by the company is recognised either when the books are sold on by the reseller, or when the provision of services is substantially fulfilled.

OTHER INCOME
Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding, at the effective interest rate.

CLIENT FUNDS
The company acts as an agent in the warehousing and sales fulfilment of books and journals on behalf of publishing clients. Accordingly, as the company does not take title to the publications and operates client bank accounts to receive monies from the publishers' customers and to pay the publishing clients, these financial statements only reflect the fees and other income derived by the company from these activities and not the gross amounts received, receivable and payable in respect of its agency activities.

INTANGIBLE FIXED ASSETS
Purchased intangible assets are recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows:-

Computer software	-	2 to 5 years

TANGIBLE FIXED ASSETS AND DEPRECIATION
Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:-

Leasehold improvements	-	the term of the lease
Plant and equipment	-	3 to 15 years
Motor vehicles	-	3 years

IMPAIRMENT OF FIXED ASSETS
An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the company estimates the recoverable amount of the asset. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses in profit or loss. Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss.

FIXED ASSET INVESTMENTS
Investments in subsidiary undertakings are initially measured at cost and are subsequently measured at cost less any accumulated impairment loss. Interests in subsidiaries are assessed for impairment at each reporting date. Any impairments losses or reversals of impairment losses are recognised immediately in profit or loss.

STOCKS
Stocks are valued at the lower of cost and net realisable value.

At each reporting date, the company assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss.

LEASES

Finance leases and hire purchase contracts
An asset and corresponding liability are recognised for leasing arrangements that transfer to the company substantially all of the risks and rewards incidental to ownership ("finance leases and hire purchase contracts"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases
All other leases are operating leases and the annual rentals are charged to profit or loss on a straight line basis over the lease term. Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised on a straight line basis over the lease term.

EMPLOYEE BENEFITS
The costs of short-term employee benefits are recognised as a liability and an expense as incurred.

EMPLOYEE BENEFITS (continued)
Where employees are entitled to carry forward unused holiday entitlement at the reporting date, the cost of any unused entitlement is recognised in the period in which the employee's services are received.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

RETIREMENT BENEFITS
The company operates and contributes to a defined contribution pension scheme for its employees. The amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

TAXATION
The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted in the reporting period.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting 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 reporting date, with the exception that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax 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 reporting date. Deferred tax is measured on a non-discounted basis.

FINANCIAL INSTRUMENTS
The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets
Basic financial assets, which include trade debtors, amounts owed by group undertakings and associate, accrued income and other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost.

Impairment of financial assets
Financial assets are assessed for indicators of impairment at each reporting end date.

FINANCIAL INSTRUMENTS (continued)
Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

The impairment loss is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities
Basic financial liabilities, which include trade creditors, obligations under finance lease and hire purchase contracts, amounts owed to group undertakings, other creditors and accruals are initially measured at transaction price and subsequently measured at amortised cost.

Derecognition of financial liabilities
Financial liabilities are derecognised when, and only when, obligations are discharged, cancelled, or they expire.

Equity instruments
Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates 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 under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Bad debts – the provision for bad debts is based on the expected recoverability of the amounts due from customers at the year end.

The directors do not consider there to be any critical areas of judgement.

2. TURNOVER

An analysis of the company's turnover by class of business is as follows:

Class of business	2017 £	2016 £
Book and journal fulfilment, subscriptions and digital printing	7,053,931	6,918,761
	7,053,931	6,918,761

An analysis of the geographical location of the company's turnover is as follows:

Geographical segments	2017 £	2016 £
United Kingdom	7,053,931	6,918,761
	7,053,931	6,918,761

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2017 £	2016 £
Bank interest	4,946	5,144
	4,946	5,144

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2017 £	2016 £
Interest payable on finance leases and hire purchase contracts	6,908	6,356
	6,908	6,356

5. DIRECTORS AND EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the year was as follows:

	2017 No.	2016 No.
	115	116

In respect of the directors of Marston Book Services Limited:

	2017 £	2016 £
Emoluments	146,237	145,200
	146,237	145,200

No current directors are accruing benefits under defined contributions pension schemes (2016: none).

6. TAXATION

	2017 £	2016 £
Current tax		
UK corporation tax	-	-
Group relief	-	1,030
Total current tax	-	1,030
Deferred tax		
Origination and reversal of timing differences	(4,541)	16,152
Total deferred tax	(4,541)	16,152
Total tax on profit	(4,541)	17,182

7. DIVIDENDS

No dividend was paid to shareholders during the year (2016: £500,000).

8. INTANGIBLE FIXED ASSETS

	Computer software £
Cost:	
At 1 January 2017	226,778
Additions – separately acquired	27,486
At 31 December 2017	254,264
Amortisation:	
At 1 January 2017	212,407
Charge for the year	9,475
At 31 December 2017	221,882
Net book value:	
At 31 December 2017	32,382
At 31 December 2016	14,371

The amortisation charge for the year is recognised within administrative expenses.

9. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Plant and equipment £	Motor vehicles £	Total £
Cost:				
At 1 January 2017	100,819	3,971,392	40,495	4,112,706
Additions	-	94,700	-	94,700
Disposals	-	-	-	-
At 31 December 2017	100,819	4,066,092	40,495	4,207,406
Depreciation:				
At 1 January 2017	73,304	3,714,347	40,495	3,828,146
Charge for the year	6,114	115,283	-	121,397
Disposals	-	-	-	-
At 31 December 2017	79,418	3,829,630	40,495	3,949,543
Net book value:				
At 31 December 2017	21,401	236,462	-	257,863
At 31 December 2016	27,515	257,045	-	284,560

10. INVESTMENTS

	Subsidiary undertakings £
Cost and carrying value:	
At 1 January 2017 and 31 December 2017	75,525

11. SUBSIDIARIES

The company's subsidiary undertakings are:

	Country of incorporation	Class of shares held	Proportion of shares held directly	Nature of business
Orca Book Services Limited	England & Wales	Ordinary	100%	Distribution of books and journals

The registered office of Orca Book Services Limited is 160 Eastern Avenue, Milton Park, Abingdon, Oxon, OX14 4SB.

12. STOCKS

	2017 £	2016 £
Raw materials and consumables	91,119	75,640
	91,119	75,640

13. DEBTORS

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	945,533	828,979
Amounts owed by group undertakings	234,459	234,744
Other debtors	431,873	394,112
Amounts due from associate	250,510	218,806
	1,862,375	1,676,641

During the year, a reversal of previous impairment losses of £6,034 (2016: £1,596) was made in respect of trade debtors.

14. CREDITORS: amounts falling due within one year

	2017 £	2016 £
Trade creditors	812,968	737,263
Obligations under finance leases and hire purchase contracts	48,668	50,480
Amounts owed to group undertakings	486,326	267,904
Other taxation and social security	132,229	179,645
Other creditors	479,727	637,293
	1,959,918	1,872,585

15. CREDITORS: amounts falling due after more than one year

	2017 £	2016 £
Obligations under finance leases and hire purchase contracts	50,928	44,164
	50,928	44,164

Finance lease and hire purchase contracts

The company's obligations under finance leases and hire purchase contracts are secured by the lessor's charge over the leased assets.

The total future minimum lease payments are payable:

	2017 £	2016 £
Less than one year	48,668	50,480
Between one and five years	50,928	44,164
	99,596	94,644

16. PROVISIONS FOR LIABILITIES

Deferred tax

	2017 £
Deferred tax liability:	
At 1 January	16,152
Credit to the statement of income in the year:	(4,541)
At 31 December	11,611

Provision for deferred tax has been made as follows:	2017 £	2016 £
Fixed asset timing differences	17,757	22,943
Other timing differences	(1,717)	(1,881)
Trading losses	(4,429)	(4,910)
Net deferred tax liability at 31 December	11,611	16,152

The deferred tax liability of £17,757 (2016: £22,943) is not expected to reverse within the next 12 months, and relates to accelerated capital allowances that are also not expected to mature within that period.

The deferred tax asset of £6,146 (2016: £6,791) is expected to reverse within 12 months and relates to the utilisation of tax losses and other short term timing differences against future profits of the same period.

17. SHARE CAPITAL AND RESERVES

SHARE CAPITAL

	Ordinary shares of £1 each Number
Allotted, called up and fully paid:	
At 1 January 2017 and 31 December 2017	250,000

Ordinary share rights
The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

RESERVES

Reserves of the company represent the following:

Profit and loss account
Cumulative profit and loss net of distributions to owners.

18. COMMITMENTS UNDER OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2017 £	2016 £
Amounts due:		
Within one year	775,858	781,751
Between one and five years	1,910,729	2,422,386
After five years	916,667	1,191,667
	3,603,254	4,395,804

19. RETIREMENT BENEFITS

The company operates a defined contribution pension scheme for the benefit of employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The contributions payable by the company charged to profit or loss amounted to £101,022 (2016: £93,169). Contributions totalling £10,095 (2016: £10,593) were payable to the fund at the year end and are included in creditors.

20. ULTIMATE PARENT COMPANY

The company's immediate and ultimate parent undertaking is Violia Media Services Limited, a company incorporated in Great Britain and registered in England and Wales. This company's financial statements are available from 160 Eastern Avenue, Milton Park, Abingdon, Oxfordshire OX14 4SB.

Violia Media Services Limited is the parent of both the largest and smallest group for which consolidated financial statements that include the financial statements of Marston Book Services Limited are prepared.

21. RELATED PARTY TRANSACTIONS

The company has undertaken transactions with Flame Tree Publishing Limited, an associated undertaking of its parent company, during the year. It invoiced £490,275 (2016: £363,493) in respect of distribution and accounting services. At the reporting date £39,699 (2016: £34,288) was due from Flame Tree Publishing Limited to the company in respect of these services. Also included within debtors were advances paid to Flame Tree Publishing Limited and the balance at the year end was £210,811 (2016: £184,518), such that the total amount due from the associate was £250,510 (2016: £218,806).

22. FUNDS HELD FOR CLIENTS

The company holds cash in separate designated client accounts for its publishing clients. This cash and the corresponding liability to clients are not included in the statement of financial position.

The company acts as a distribution agent for a number of publishers. The company invoices on behalf of its clients for sales made to their customers. Cash collected on behalf of clients is banked into separate trust accounts, which are not included in these financial statements, and cash is remitted to clients in accordance with contractual terms. Trade debtors in these financial statements exclude these amounts.

23. CONTINGENT LIABILITIES

The company is a member of a group VAT registration. At 31 December 2017 the company had no potential contingent liability under the terms of the registration as the whole of the VAT creditor was included in the company's statement of financial position (2016: £nil).