

Anness Publishing Limited

Annual Report and Financial Statements

for the Year Ended 31 January 2015

Lambert Chapman LLP
Chartered Accountants and Registered Statutory Auditors
3 Warners Mill
Silks Way
Braintree
Essex
CM7 3GB

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Anness Publishing Limited
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Anness Publishing Limited

Company Information

Directors

P L Anness
J Lorenz
B J Worley
H Sudell

Company secretary

J Lorenz

Registered office

Premier House
Blaby Road
Wigston
Leicester
LE18 4SE

Bankers

Barclays Bank PLC
1 Churchill Place
Leicester
LE87 2BB

Auditors

Lambert Chapman LLP
Chartered Accountants and Registered Statutory Auditors
3 Warners Mill
Silks Way
Braintree
Essex
CM7 3GB

Anness Publishing Limited

Strategic Report for the Year Ended 31 January 2015

The directors present their strategic report for the year ended 31 January 2015.

Results and dividends

- At the year end the company was holding £3.01m in cash, £746,214 up on the £2.26m held at the end of the previous financial year. The company has no loans, mortgages or overdrafts.
- Debtors (amounts owed to the company) were £2.36m at year end, and Creditors (amount owed by the company) were £942,104.
- The undistributed reserves of the company at 31 January 2015 totalled £10.79m, down from £10.86m at the end of the prior year.
- Company sales revenues were £5.87m, down from £7.72m in the previous financial year. Reduced turnover reflects the company budgets and a strategy to focus on activities which release cash, reduce physical inventories, and increase higher margin revenues in traditional trade channels. Many operations which generated high volumes of sales, but slender margins, are gradually being discontinued.
- Company losses before taxation in the year were £44,105, significantly better than the prior year, with the improved performance driven by a planned three year cost restructuring programme.
- Overhead is down from £2.59m in the prior year to £1.83m this time.
- No dividend is proposed for the period.

Principal Activities and Review of the Business

The principal activity of the company remained that of publishing and book production in the United Kingdom and overseas, combined with book wholesaling and distribution and designing and manufacturing stationery.

Key Events in the period

In response to ongoing poor market conditions, continuing shifts in technology and digitisation, the wider economic situation, and in reaction to our customers' own changing strategies, the company continued to implement its plan to resize to a smaller, more flexible unit generating lower sales volumes but higher margins. The plan involves reducing overhead in line with decreased sales expectations in the market, while rebalancing the efforts of the business onto full-priced Trade sales and Rights activities and Children's books, phasing down the Promotional (bargain) parts of the business and closing the chain of 12 retail shops that were part of the promotional mix.

Major Challenges

- **Digital Markets:** Currently the transition from physical books to eBooks has been a particular challenge to illustrated book publishers. Whereas black and white publishers (fiction, biography, text book) have few technical barriers and consumers readily able to transfer, so they can rapidly translate much of their revenue from one system to another, illustrated books have not adapted well to eReading devices, and consumers have not proved specially keen on accessing material in paid-for digital form.
- **Deteriorating Markets:** Some sections of the markets, including the independent bargain bookshop sector, have been shrinking with a momentum that is going to be hard to reverse. Small booksellers face a combination of supermarkets that can discount much more aggressively; internet sellers who can compete by offering hugely wider ranges of titles without carrying the expense of bricks and mortar; and eBooks that take the whole channel digital and out of physical form and that are sold direct from publisher to consumer cutting out the middleman.
- **Work In Progress Asset Amortisation:** The biggest Profit and loss issue confronting the company over the next 3-4 years is how to generate profits while needing to amortise very substantial amounts of historic asset, primarily Work In Progress. Six-seven years ago the company had sales of close to £20.0m per annum and was spending well over £2.0m a year on product development. This created a Work In Progress asset of over £6.0m and annual write-offs approaching £2.0m. The change of turnover scale of the business creates a huge challenge in being able to accommodate amortisation at this level, which is one of the reasons that losses are being generated while the cash position has improved.

Anness Publishing Limited
Strategic Report for the Year Ended 31 January 2015

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Sales in the period

- Trade Publishing: This division had a good performance and was 17% up on budget globally. Management's strategy was to focus on Trade publishing, with its lower volumes but much higher margins, given the deterioration in the Promotional market.
- Rights and Co-Editions: In a very poor year, sales decreased to the lowest level for 15 years. Top line sales are impacted by the general transition from finished book contracts to licensing deals, and by customers pushing to take smaller and smaller quantities (so an average deal of 4,000-5,000 five years ago could be 1,500-2,000 now, if technology allows). Also, the growth in the sales of children's titles does mean smaller sales amounts on contracts, as the books are very much cheaper than adult books. However the biggest influence on Rights sales is the generation of new titles, and this market can be reinvigorated if and when the company's creative budgets are increased again.
- Promotional Publishing: Following the loss of Borders and other key accounts around the world, Promotional sales continue to diminish dramatically. The decreases are accentuated by APL's strategy to resist selling cheap editions in order to market the best quality versions at the greatest value. The vast proportion of sales reductions in the year come from the bargain book area.
- eBooks: eBook sales are still immaterial financially.

Funding and cash flow

Cash in the bank at the end of 31 January 2015 stood at £3.01m, up from £2.26m in 2014. Due to its strong cash position, and budgets indicating that this situation will continue, the company decided some years ago not to spend the substantial arrangement fees suggested for a bank overdraft facility that would not be used (together with extra fees for not using it). The company has no outstanding loans or mortgages.

Inventory

Physical book inventory began the year at a value of £5.29m, and ended at £4.85m: the reduction in stock was another contributor to the increase in cash on hand. In its resized form, the company is carrying more stock than it needs to achieve current sales. The future focus on Trade publishing will enable stocks to be reduced by another £1.5m-£2.0m and a consequent release of more cash into the balance sheet over the next two-three years.

Work in progress

The value of the current creative asset has been reduced in the period from £1.67m to £1.21m in line with the company's amortisation policy. Historic expenditure during more exuberant market conditions is now having to be written down against much lower sales levels, which as mentioned above is making it hard for the company to deliver profits

Investment

The company maintained its dedication to and investment in the creation and development of probably the best active illustrated book portfolio in the industry, which now stands at around 5,000 titles in print, and around 443,000 copyright-owned photo-images.

Management's estimate of total creative investment since 1997 is close to £34.0m, of which £32.8m is written off despite the fact that titles from the 1990s are still generating substantial revenues annually.

The intellectual property of the company is not valued on the balance sheet other than the current work in progress element which includes only costs on recently published books and for books as yet unpublished.

Creditors

Creditors (the majority of which are printers in the Far East and Middle East) fell from £1.27m last year to £942,104 this time. This reflects the greatly reduced level of printed product needed to make sales at higher margins in the Trade business, and also reflects the much lower volumes printed for the Promotional division.

Debtors

Debtors ended the year at £2.36m down from £2.61m last time, reflecting the lower sales levels and the increased generation of licensing amounts, deposits and royalties paid in advance.

Anness Publishing Limited
Strategic Report for the Year Ended 31 January 2015

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New technology

The company continued the development of its digital asset management system. Over 300,000 wholly-owned images are fully indexed and searchable on our own web-based search engine, and an additional 140,000 images are available digitally and stored accessibly on system. The big advantage created by the development of this asset is in the in-house exploitation, which is estimated to save the company up to £500,000 per year in product development costs. Owning these rights and images outright also paves the way for low-cost eBook creation as sales platforms develop for illustrated digital books.

The company invested in the period in a new customer-facing web-based rights sales system with the potential to display complete, fully readable versions of all its 5,000 titles accessible to all clients at all times (a kind of permanent digital trade book fair). The system was launched on October 14th 2015.

Summary

Focusing on the Trade businesses, with lower volumes and higher prices, has eased historic stresses caused by currency fluctuations, commodity prices and shipping costs. The core Trade and Children's parts of the business grew steadily with particularly good performances in the USA.

Cash and the balance sheet are strong, the challenge for the business is to replace customers that are closing or declining with new sales accounts; and to find and develop new channels and markets to replace the traditional channels that are being sidelined and diminished by the digital evolution and new technologies: management is very positive that this can be achieved.

Future developments

The digitisation of large parts of the book business is accelerating rapidly. Initially it was hoped this might create a new sales channel for the company in eBooks. Though this has not materialised, it has provided much of the groundwork for the new web-based Rights and Trade Sales marketing and sales system, which could be a major aid in further developing those categories of business.

The company is nurturing its new Children's publishing imprint, Armadillo, built on 740 titles purchased in the takeover of Bookmart, combined with over 700 existing Anness children's books and augmented by 300 children's copyrights purchased from top UK packager Tucker Slingsby to add to this mix in 2013. Children's titles, especially with novelties, offer a continuing foothold in the world of physical products in the shifting landscape of digitisation.

In 2015 the company successfully relaunched several hundred of its Peony Press stationery products. Ten years ago this business generated over £1.0m in sales, which were allowed to lapse in the interim, but the company sees this as another valuable hedge in the mid-term against other challenges to the traditional book market.

Print-On-Demand is also being investigated as a means to keep more than 3000 titles in print for longer periods with lower company inventory investment. Currently POD pricing is prohibitive in the context of the company's competitive price-point policy, but it is hoped evolving technology will continue to drive down costs till this might become a genuinely viable option for part of the programme.

An exciting development for the company in the short term was the purchase in May 2015 of a majority shareholding in a marketing business which has a network of agents nationwide. These agents currently make over 250,000 sales calls in the course of the year to a customer base of over 30,000 schools, hospitals, offices, businesses and other outlets, and this should provide an attractive sales channel for the company's range of children's books, cookbooks and reference books.

Anness Publishing Limited
Strategic Report for the Year Ended 31 January 2015

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Principal risks and uncertainties

The company does not have material exposure to liquidity or investment risks and hedges its main exposure to revenues denominated in foreign currencies by arranging, as far as is practical, to pay for purchases in matching currencies and taking out forward contracts to cover the balance.

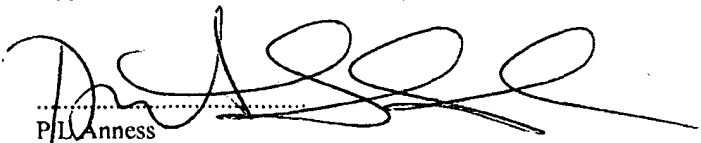
The company has minimal exposure to interest rate risk other than in relation to reduced earnings on deposits.

The company's manufacturing suppliers are principally in China and the Middle East, and this represents around 60% of all the company's costs. The company spreads its print orders across a range of printers to reduce as much as possible the risks associated with dependency on too few key suppliers.

Going Concern

The financial statements have been prepared on a going concern basis, which the directors consider appropriate based on their review of the business for the long-term foreseeable future, solid trading at the time of formulating this report, the company's continuing strong balance sheet and its available cash reserves (£2.7m in the bank in October 2015, having already paid for the vast majority of all 2015 stock purchases and having paid for the purchase of the subsidiary company mentioned in future developments).

Approved by the Board on 27/10/15 and signed on its behalf by:


.....
P. L. Anness
Director

Anness Publishing Limited
Directors' Report for the Year Ended 31 January 2015

The directors present their report and the financial statements for the year ended 31 January 2015.

Directors of the company

The directors who held office during the year were as follows:

P L Anness

J Lorenz

B J Worley

H Sudell

Disclosure of information to the auditor

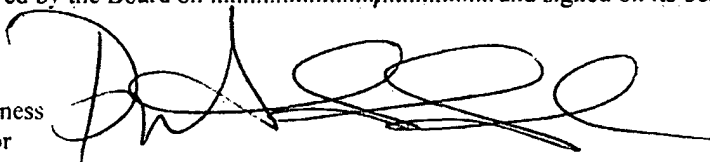
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditor is unaware of.

Reappointment of auditors

The auditors Lambert Chapman LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 27/10/2015 and signed on its behalf by:

P L Anness
Director

A large, stylized handwritten signature in black ink, appearing to be 'P L Anness', written over a horizontal dotted line.

Anness Publishing Limited
Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual 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 these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Independent Auditor's Report to the Members of Anness Publishing Limited

We have audited the financial statements of Anness Publishing Limited for the year ended 31 January 2015, set out on pages 9 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 7), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

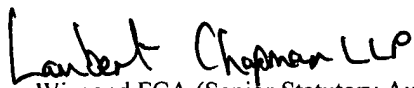
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.


Sean Wiegand FCA (Senior Statutory Auditor)
for and on behalf of Lambert Chapman LLP
Statutory Auditor
3 Warners Mill
Silks Way
Braintree
Essex
CM7 3GB

Date: 29.10.2015

Anness Publishing Limited
Profit and Loss Account for the Year Ended 31 January 2015

	Note	2015 £	2014 £
Turnover	3	5,873,515	7,724,802
Cost of sales		<u>(4,085,703)</u>	<u>(5,705,068)</u>
Gross profit		1,787,812	2,019,734
Administrative expenses		<u>(1,833,261)</u>	<u>(2,588,777)</u>
Operating loss	4	(45,449)	(569,043)
Other interest receivable and similar income	7	1,898	934
Interest payable and similar charges	8	<u>(554)</u>	<u>(35)</u>
Loss on ordinary activities before taxation		(44,105)	(568,144)
Tax on loss on ordinary activities	9	<u>(22,369)</u>	<u>(968)</u>
Loss for the financial year	17	<u><u>(66,474)</u></u>	<u><u>(569,112)</u></u>

Turnover and operating profit derive wholly from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

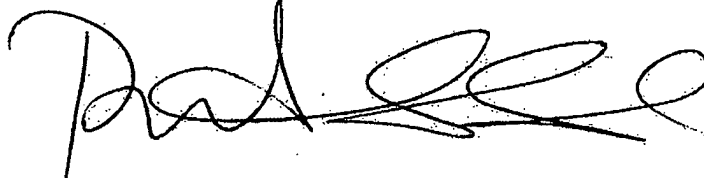
Anness Publishing Limited
Balance Sheet as at 31 January 2015

Registration Number 02375310

	Note	2015 £	2014 £
Fixed assets			
Intangible fixed assets	10		
Tangible fixed assets	11	40,629	19,396
Investments	12	262,920	262,920
		<u>303,549</u>	<u>282,316</u>
Current assets			
Stocks	13	6,059,669	6,965,526
Debtors	14	2,362,779	2,614,833
Cash at bank and in hand		3,008,271	2,262,057
		<u>11,430,719</u>	<u>11,842,416</u>
Creditors: Amounts falling due within one year	15	(942,104)	(1,266,094)
Net current assets		<u>10,488,615</u>	<u>10,576,322</u>
Net assets		<u>10,792,164</u>	<u>10,858,638</u>
Capital and reserves			
Called up share capital	16	1,000	1,000
Profit and loss account	17	10,791,164	10,857,638
Shareholders' funds	18	<u>10,792,164</u>	<u>10,858,638</u>

Approved by the Board on 27/10/2015 and signed on its behalf by:

P L Anness
Director



Anness Publishing Limited
Cash Flow Statement for the Year Ended 31 January 2015

Reconciliation of operating loss to net cash flow from operating activities

	2015	2014
	£	£
Operating loss	(45,449)	(569,043)
Depreciation, amortisation and impairment charges	13,590	32,226
Decrease in stocks	905,857	1,199,036
Decrease in debtors	241,832	1,092,722
Decrease in creditors	(323,990)	(1,106,440)
Net cash inflow from operating activities	<u>791,840</u>	<u>648,501</u>

Cash flow statement

	2015	2014
	£	£
Net cash inflow from operating activities	<u>791,840</u>	<u>648,501</u>
Returns on investments and servicing of finance		
Interest received	1,898	934
Interest paid	(554)	(35)
	<u>1,344</u>	<u>899</u>
Taxation paid	(12,147)	-
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(34,823)</u>	<u>(4,270)</u>
Net cash inflow before management of liquid resources and financing	<u>746,214</u>	<u>645,130</u>
Increase in cash	<u>746,214</u>	<u>645,130</u>

Reconciliation of net cash flow to movement in net debt

	2015	2014
	£	£
Increase in cash	<u>746,214</u>	<u>645,130</u>
 Movement in net debt	 746,214	 645,130
Net funds at 1 February	<u>2,262,057</u>	<u>1,616,927</u>
Net funds at 31 January	<u>3,008,271</u>	<u>2,262,057</u>

Anness Publishing Limited

Notes to the Financial Statements for the Year Ended 31 January 2015

2 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Exemption from preparing group accounts

As permitted by section 406 of the Companies Act 2006, the two subsidiary undertakings have been excluded from the consolidation of Anness Publishing Limited, as their inclusion is not considered material for the purpose of giving a true and fair view of the parent company's financial statements for the year ended 31st January 2015.

Going concern

The financial statements have been prepared on a going concern basis, which the directors consider appropriate based on their review of the business for the foreseeable future, the company's strong balance sheet and its available cash reserves.

Turnover

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods.

Goodwill

Intangible assets consist of goodwill on acquisitions and represent the difference between the purchase price and fair value of the net assets at acquisition.

Positive goodwill is capitalised, classified as an asset on the balance sheet and is amortised over its useful economic life. Positive goodwill is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Amortisation

Asset class	Amortisation method and rate
Positive goodwill	Straight line over 3 years

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Leasehold Properties	over the life of the lease
Fixtures, fittings and equipment	25-50% Straight line
Computer equipment	25-50% Straight line
Motor vehicles	20% Straight line

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value. The carrying value of fixed asset investments are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Stock and work in progress

Published books are stated at the lower of cost and net realisable value.

Work in progress includes all external costs of bringing a new book to publication. In the year of acquisition 35% of the cost is taken to the profit and loss account. The remaining 65% of the cost is capitalised and amortised over 7 years, the period of expected revenue generation. The amortisation is charged 73% over 4 years, with 9% per year in the final 3 years.

Anness Publishing Limited

Notes to the Financial Statements for the Year Ended 31 January 2015

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent that the directors consider that it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Foreign currency

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. All differences are taken to the profit and loss account.

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Financial instruments

The company uses forward foreign currency contracts to reduce exposure to foreign exchange rates during the year.

Where a forward currency contract is outstanding at the year end then monetary assets and liabilities relating to the forward contract are translated at the forward contract rate.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Copyrights

The company owns copyrights to its titles. To comply with FRS10, no valuation has been given to these rights.

3 Turnover

During the year 62.82% of the company's turnover related to exports (2014 - 63.63%).

An analysis of turnover by geographical location is given below:

	2015	2014
	£	£
UK	2,184,014	2,809,170
Europe	642,700	1,224,920
North America	2,143,308	2,491,077
Asia and Africa	574,612	750,497
Australia	328,881	449,138
	<u>5,873,515</u>	<u>7,724,802</u>

Anness Publishing Limited
Notes to the Financial Statements for the Year Ended 31 January 2015

4 Operating loss

Operating loss is stated after charging:

	2015	2014
	£	£
Operating leases - land and buildings	260,481	345,507
Foreign currency losses	37,750	56,357
Depreciation of owned assets	13,590	32,226
Auditor's remuneration - The audit of the company's annual accounts	25,600	19,800
Auditors' remuneration - non audit services	2,819	1,487
Redundancy costs	<u>(4,250)</u>	<u>77,389</u>

5 Particulars of employees

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

	2015	2014
	No.	No.
Administration and support	12	16
Production	10	18
Sales, marketing and distribution	<u>14</u>	<u>14</u>
	<u>36</u>	<u>48</u>

The aggregate payroll costs were as follows:

	2015	2014
	£	£
Wages and salaries	867,730	1,337,575
Social security costs	86,502	132,843
Staff pensions	<u>27,117</u>	<u>33,085</u>
	<u>981,349</u>	<u>1,503,503</u>

Anness Publishing Limited
Notes to the Financial Statements for the Year Ended 31 January 2015

6 Directors' remuneration

The directors' remuneration for the year was as follows:

	2015	2014
	£	£
Remuneration (including benefits in kind)	335,255	382,093
Company contributions paid to money purchase schemes	<u>22,073</u>	<u>22,072</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2015	2014
	No.	No.
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>3</u>

In respect of the highest paid director:

	2015	2014
	£	£
Remuneration	108,922	112,980
Company contributions to money purchase pension schemes	<u>12,975</u>	<u>12,975</u>

7 Other interest receivable and similar income

	2015	2014
	£	£
Bank interest receivable	<u>1,898</u>	<u>934</u>

8 Interest payable and similar charges

	2015	2014
	£	£
Interest on bank borrowings	<u>554</u>	<u>35</u>
	<u>554</u>	<u>35</u>

Anness Publishing Limited
Notes to the Financial Statements for the Year Ended 31 January 2015

9 Taxation

Tax on loss on ordinary activities

	2015 £	2014 £
Current tax		
Foreign tax charge	12,147	-
Deferred tax		
Origination and reversal of timing differences	10,222	968
Total tax on loss on ordinary activities	<u>22,369</u>	<u>968</u>

Factors affecting current tax charge for the year

Tax on loss on ordinary activities for the year is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 20% (2014 - 20%).

The differences are reconciled below:

	2015 £	2014 £
Loss on ordinary activities before taxation	<u>(44,105)</u>	<u>(568,144)</u>
Corporation tax at standard rate	(8,821)	(113,629)
Capital allowances in excess of depreciation	(9,852)	(1,242)
Non taxable income	(1,155)	-
Expenses not deductible for tax purposes	787	1,719
General provisions	14,952	(2,616)
Unrelieved tax losses carried forward	4,089	115,768
Foreign tax charge	12,147	-
Total current tax	<u>12,147</u>	<u>-</u>

10 Intangible fixed assets

	Goodwill £	Total £
Cost		
At 1 February 2014	168,028	168,028
At 31 January 2015	168,028	168,028
Amortisation		
At 1 February 2014	168,028	168,028
At 31 January 2015	168,028	168,028
Net book value		
At 31 January 2015	-	-
At 31 January 2014	-	-

Anness Publishing Limited

Notes to the Financial Statements for the Year Ended 31 January 2015

11 Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Office equipment £	Total £
Cost or valuation				
At 1 February 2014	49,708	541	277,343	327,592
Additions	-	-	34,823	34,823
At 31 January 2015	<u>49,708</u>	<u>541</u>	<u>312,166</u>	<u>362,415</u>
Depreciation				
At 1 February 2014	41,590	325	266,281	308,196
Charge for the year	<u>4,105</u>	<u>216</u>	<u>9,269</u>	<u>13,590</u>
At 31 January 2015	<u>45,695</u>	<u>541</u>	<u>275,550</u>	<u>321,786</u>
Net book value				
At 31 January 2015	<u>4,013</u>	<u>-</u>	<u>36,616</u>	<u>40,629</u>
At 31 January 2014	<u>8,118</u>	<u>216</u>	<u>11,062</u>	<u>19,396</u>

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Notes to the Financial Statements for the Year Ended 31 January 2015

12 Investments held as fixed assets

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 February 2014	271,691	271,691
At 31 January 2015	271,691	271,691
Provision for impairment		
At 1 February 2014	271,691	271,691
Net book value		
At 31 January 2015	-	-
At 31 January 2014	-	-

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings				
Book Trade Services Ltd	England & Wales	Ordinary	100%	Dormant
Practical Pictures Ltd	England & Wales	Ordinary	100%	Dormant

Other investments

	Unlisted investments £	Total £
Cost		
At 1 February 2014	262,920	262,920
At 31 January 2015	262,920	262,920
Net book value		
At 31 January 2015	262,920	262,920
At 31 January 2014	262,920	262,920

The investment was revalued as at 31st May 2015 by FIM Services. The valuation provided states the current value as £380,000.

Anness Publishing Limited
Notes to the Financial Statements for the Year Ended 31 January 2015

13 Stocks

	2015 £	2014 £
Work in progress	1,206,577	1,670,717
Finished goods	<u>4,853,092</u>	<u>5,294,809</u>
	<u><u>6,059,669</u></u>	<u><u>6,965,526</u></u>

The company has consignment stock agreements with suppliers in the ordinary course of business. In the opinion of the directors the value of such stock at cost, which is excluded from the balance sheet in accordance with the application notes within FRS5, amounted to £124,356 (2014:£251,915).

14 Debtors

	2015 £	2014 £
Trade debtors	1,845,838	2,093,740
Other debtors	28,251	25,915
Deferred tax	368,527	378,749
Prepayments and accrued income	<u>120,163</u>	<u>116,429</u>
	<u><u>2,362,779</u></u>	<u><u>2,614,833</u></u>

Deferred tax

The movement in the deferred tax asset in the year is as follows:

	£
At 1 February 2014	378,749
Deferred tax charged to the profit and loss account	<u>(10,222)</u>
At 31 January 2015	<u><u>368,527</u></u>

Analysis of deferred tax

	2015 £	2014 £
Difference between accumulated depreciation and amortisation and capital allowances	17,581	27,803
Tax losses available	<u>350,946</u>	<u>350,946</u>
	<u><u>368,527</u></u>	<u><u>378,749</u></u>

In addition to the taxable losses provided, there are unrecognised taxable losses available to set off against future profits in the sum of £1,917,308 (2014:£1,896,859).

Anness Publishing Limited
Notes to the Financial Statements for the Year Ended 31 January 2015

15 Creditors: Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	749,415	1,010,894
Other taxes and social security	19,741	-
Other creditors	105,001	70,374
Accruals and deferred income	67,947	184,826
	<u>942,104</u>	<u>1,266,094</u>

Barclays Bank Plc hold an all monies debenture over the whole group's assets dated 15 December 2009.

16 Share capital

Allotted, called up and fully paid shares

	2015		2014	
	No.	£	No.	£
Ordinary of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

17 Reserves

	Profit and loss account £	Total £
At 1 February 2014	10,857,638	10,857,638
Loss for the year	<u>(66,474)</u>	<u>(66,474)</u>
At 31 January 2015	<u>10,791,164</u>	<u>10,791,164</u>

18 Reconciliation of movement in shareholders' funds

	2015	2014
	£	£
Loss attributable to the members of the company	<u>(66,474)</u>	<u>(569,112)</u>
Net reduction to shareholders' funds	(66,474)	(569,112)
Shareholders' funds at 1 February	<u>10,858,638</u>	<u>11,427,750</u>
Shareholders' funds at 31 January	<u>10,792,164</u>	<u>10,858,638</u>

19 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £27,117 (2014 - £33,085).

Anness Publishing Limited

Notes to the Financial Statements for the Year Ended 31 January 2015

20 Commitments

Operating lease commitments

As at 31 January 2015 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2015 £	2014 £
Land and buildings		
Within one year	36,250	69,230
Within two and five years	<u>64,000</u>	<u>64,000</u>
	<u>100,250</u>	<u>133,230</u>

21 Analysis of net debt

	At 1 February 2014 £	Cash flow £	At 31 January 2015 £
Cash at bank and in hand	2,262,057	746,214	3,008,271
Net funds	<u>2,262,057</u>	<u>746,214</u>	<u>3,008,271</u>

22 Post balance sheet events

Anness Publishing Limited purchased a majority shareholding in a company on 1st May 2015. The consideration paid was £400,000.

23 Control

The company is controlled by Mr P Anness a director of the company.