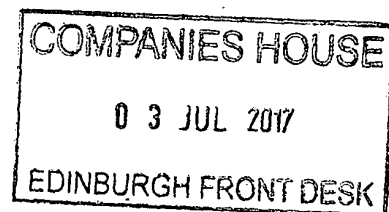


Financial Statements

Edinburgh Booksellers' Society Limited

For the Year Ended 31 March 2017



Registered number: SC000879



Edinburgh Booksellers' Society Limited
(A company limited by guarantee)

Company Information

Directors	D K Bauermeister (resigned 23 June 2016) G F Green P M McKenzie E A Strong G S Waterston W K Campbell (appointed 23 June 2016)
Company secretary	G S Waterston
Registered number	SC000879
Registered office	7 Exchange Crescent Conference Square Edinburgh EH3 8AN
Accountants	Grant Thornton UK LLP Chartered Accountants 7 Exchange Crescent Conference Square Edinburgh EH3 8AN

Edinburgh Booksellers' Society Limited
(A company limited by guarantee)

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Edinburgh Booksellers' Society Limited
(A company limited by guarantee)

Directors' Report

For the Year Ended 31 March 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

Directors

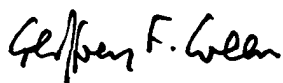
The directors who served during the year were:

D K Bauermeister (resigned 23 June 2016)
G F Green
P M McKenzie
E A Strong
G S Waterston
W K Campbell (appointed 23 June 2016)

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on **29 June 2017** and signed on its behalf.



G F Green
Director



Grant Thornton

Report to the directors on the preparation of the unaudited statutory financial statements of Edinburgh Booksellers' Society Limited for the year ended 31 March 2017

We have compiled the accompanying financial statements of Edinburgh Booksellers' Society Limited based on the information you have provided. These financial statements comprise the Balance Sheet of Edinburgh Booksellers' Society Limited as at 31 March 2017, the Profit and Loss Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Board of Directors of Edinburgh Booksellers' Society Limited, as a body, in accordance with the terms of our engagement letter dated 25 June 2015. Our work has been undertaken solely to prepare for your approval the financial statements of Edinburgh Booksellers' Society Limited and state those matters that we have agreed to state to the Board of Directors of Edinburgh Booksellers' Society Limited, as a body, in this report in accordance with our engagement letter dated 25 June 2015. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Edinburgh Booksellers' Society Limited and its Board of Directors, as a body, for our work or for this report.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). As a member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at www.icaew.com.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Grant Thornton UK LLP

Grant Thornton UK LLP

Chartered Accountants

Date: 3 July 2017

Edinburgh Booksellers' Society Limited
(A company limited by guarantee)

Statement of Comprehensive Income
For the Year Ended 31 March 2017

	Note	2017 £	2016 £
Investment income		2,274,918	(190,010)
Annuities		(358,527)	(365,830)
Gross profit/(loss)		1,916,391	(555,840)
Administrative expenses		(28,983)	(37,973)
Other operating income	4	2,475	2,745
Operating profit/(loss)		1,889,883	(591,068)
Interest receivable and similar income		16	-
Profit/(loss) before tax		1,889,899	(591,068)
Tax on profit/(loss)		(204,562)	242,128
Profit/(loss) for the financial year		1,685,337	(348,940)
Total comprehensive income for the year		1,685,337	(348,940)

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

The notes on pages 5 to 12 form part of these financial statements.

Edinburgh Booksellers' Society Limited
(A company limited by guarantee)
Registered number: SC000879

Balance Sheet

As at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	6	13,212,643	11,329,995
		<u>13,212,643</u>	<u>11,329,995</u>
Current assets			
Cash at bank and in hand	7	8,584	16,291
		<u>8,584</u>	<u>16,291</u>
Creditors: amounts falling due within one year	8	(87,258)	(25,258)
		<u>(87,258)</u>	<u>(25,258)</u>
Net current liabilities		<u>(78,674)</u>	<u>(8,967)</u>
Total assets less current liabilities		<u>13,133,969</u>	<u>11,321,028</u>
Provisions for liabilities			
Deferred tax		(729,912)	(602,308)
		<u>(729,912)</u>	<u>(602,308)</u>
Net assets		<u><u>12,404,057</u></u>	<u><u>10,718,720</u></u>
Capital and reserves			
Profit and loss account		12,404,057	10,718,720
		<u>12,404,057</u>	<u>10,718,720</u>

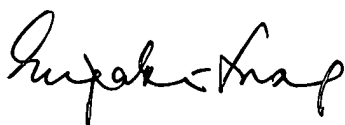
The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

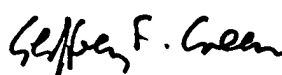
The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

E A Strong
Director



G F Green
Director



The notes on pages 5 to 12 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 March 2017

1. General information

Edinburgh Booksellers' Society Limited is a company limited by guarantee incorporated in Scotland. Its registered office is 7 Exchange Crescent, Conference Square, Edinburgh, EH3 8AN.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Income from investments

Investment income comprises dividends receivable during the accounting period on listed and unlisted investments and gross interest receivable. Investment income is recognised when receivable. Also included are realised and unrealised gains/losses on investments.

2.3 Valuation of investments

Investments in listed company shares are remeasured to market close at the valuation date. All realised and unrealised gains and losses on remeasurement are recognised in profit or loss for the period.

All realised and unrealised gains and losses on investments are recognised as net capital gains/(losses) in the Statement of Total Return. Unrealised gains and losses comprise changes in the fair value of investments for the period and from reversal of prior period's unrealised gains and losses for investments which were realised in the accounting year. Realised gains and losses represent the difference between an instruments' carrying amount and disposal amount.

A proportion of brokers' fees are included in the calculation of realised gains or losses on the disposal of investments.

2.4 Annuities

An actuarial review of the funds of the Society is carried out every three years and the actuary makes recommendations on changes to the amounts of annuities to be paid to members qualifying by reason of age and to widows of members. Annuities are payable half yearly in advance on 15 April and 15 October.

Notes to the Financial Statements

For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.5 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

2.6 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.7 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.8 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

Notes to the Financial Statements

For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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.

3. Turnover

Turnover includes a change in fair value of £1,815,298 (2016: £(588,199)) which comprises realised gains/(losses) of £234,617 (2016: £(124,373)) and unrealised gains/(losses) of £1,600,694 (2016: £(448,761)). The realised gains and losses represent the difference between an investments' carrying amount and disposal amount less a proportion of brokers' fees.

Also included in turnover is dividend income and bank interest receivable.

4. Other operating income

	2017	2016
	£	£
Members' subscriptions	2,475	2,745
	<u>2,475</u>	<u>2,745</u>

5. Employees

The average monthly number of employees, including directors, during the year was 2 (2016 - 2).

Notes to the Financial Statements

For the Year Ended 31 March 2017

6. Fixed asset investments

	Listed investments £	Cash held £	Total £
Cost or valuation			
At 1 April 2016	10,907,884	422,111	11,329,995
Additions	4,303,643	-	4,303,643
Disposal proceeds	(4,133,080)	-	(4,133,080)
Change in fair value	1,835,311	-	1,835,311
Movement in cash	-	(123,226)	(123,226)
At 31 March 2017	12,913,758	298,885	13,212,643
Net book value			
At 31 March 2017	12,913,758	298,885	13,212,643
At 31 March 2016	10,907,884	422,111	11,329,995

Listed investments are included at market value. The original cost of these investments was £8,187,288 (2016: £7,229,188).

Change in fair value comprises realised gains of £234,617 and unrealised gains of £1,600,694.

The cash of £298,885 at 31 March 2017 (2016: £422,111) is committed for re-investment.

In addition, the Society owns a painting which is not included above, but which has been valued by the directors for insurance purposes at £40,000 (2016: £40,000).

7. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	8,584	16,291
	8,584	16,291

Edinburgh Booksellers' Society Limited
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2017

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Corporation tax	76,958	14,958
Other creditors	10,300	10,300
	<u>87,258</u>	<u>25,258</u>

9. Deferred taxation

	2017 £	2016 £
At beginning of year	602,308	859,394
Charged/(credited) to profit or loss	127,604	(257,086)
At end of year	<u>729,912</u>	<u>602,308</u>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Deferred tax on share portfolio	729,912	602,308
	<u>729,912</u>	<u>602,308</u>

10. Company status

The company is a private company limited by guarantee and consequently does not have share capital. The amount to be guaranteed by each member of the society in the event of its being wound up while he is a member, or within one year thereafter, is £10.

Edinburgh Booksellers' Society Limited
(A company limited by guarantee)

Notes to the Financial Statements

For the Year Ended 31 March 2017

11. Related party transactions

The officers of the Society are also members and those officers over retirement age who received annuities under the Society's rules during their period of appointment were as follows:

	2017 £	2016 £
P Mackenzie	18,409	18,318
G F Green	18,409	18,318
D K Bauermeister	11,883	23,700
E A Strong	18,409	18,318
W K Campbell	9,220	-
	<u>76,330</u>	<u>78,654</u>

Edinburgh Booksellers' Society Limited
(A company limited by guarantee)

Notes to the Financial Statements

For the Year Ended 31 March 2017

12. First time adoption of FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 April 2015. The impact of the transition to FRS 102 is as follows:

	As previously stated 1 April 2015	Effect of transition 1 April 2015	FRS 102 (as restated) 1 April 2015	As previously stated 31 March 2016	Effect of transition 31 March 2016	FRS 102 (as restated) 31 March 2016
Note	£	£	£	£	£	£
Fixed assets	7,289,377	4,710,717	12,000,094	7,651,299	3,678,696	11,329,995
Current assets	21,589	-	21,589	16,291	-	16,291
Creditors: amounts falling due within one year	(94,630)	-	(94,630)	(25,258)	-	(25,258)
Net current liabilities	(73,041)	-	(73,041)	(8,967)	-	(8,967)
Total assets less current liabilities	7,216,336	4,710,717	11,927,053	7,642,332	3,678,696	11,321,028
Provisions for liabilities	-	(859,394)	(859,394)	-	(602,308)	(602,308)
Net assets	7,216,336	3,851,323	11,067,659	7,642,332	3,076,388	10,718,720
Capital and reserves	7,216,336	3,851,323	11,067,659	7,642,332	3,076,388	10,718,720

Edinburgh Booksellers' Society Limited
(A company limited by guarantee)

Notes to the Financial Statements

For the Year Ended 31 March 2017

12. First time adoption of FRS 102 (continued)

	Note	As previously stated 31 March 2016 £	Effect of transition 31 March 2016 £	FRS 102 (as restated) 31 March 2016 £
Investment income		398,189	(588,199)	(190,010)
Annuities		(365,830)	-	(365,830)
		32,359	(588,199)	(555,840)
Administrative expenses		(37,973)	-	(37,973)
Other operating income		2,745	-	2,745
Operating profit		(2,869)	(588,199)	(591,068)
Surplus on disposal of investments		443,822	(443,822)	-
Taxation		(14,958)	257,086	242,128
Profit/(loss) on ordinary activities after taxation and for the financial year		425,995	(774,935)	(348,940)

Explanation of changes to previously reported profit and equity:

- 1 The change in the previously reported profit and equity relates to the inclusion of investments at fair value and deferred tax thereon.