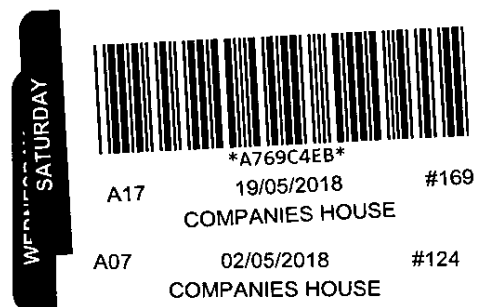


Small World Creations Limited

Annual report and financial statements For the year ended 31 December 2017

Registered number 03389953



Small World Creations Limited

Annual report and financial statements

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Small World Creations Limited

Directors' report

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

Principal activities

The principal activity of the company is the creation and production of pre-school novelty children's books for the international co-edition market. On 31 December 2016 the assets and liabilities of the Company were acquired by the parent company, Quarto Publishing plc, at net book value. The Company has since been a dormant company and will be in the foreseeable future.

Business review

The results of the company are set out on page 6. Turnover was nil as there was no trading in 2017. (2016: £1.8m). Profit before tax was £nil (2016: £103,000).

Principal risks and uncertainties facing the Company

The board of the ultimate parent company, The Quarto Group, Inc. carried out a formal review of the principal business risks facing the various businesses and has documented these risks in a risk register, which will be regularly reviewed. The risks of the Company are principally the same as The Quarto Group, Inc., and have been disclosed below where relevant.

The business risk review identified the following key risks that face our business:

- **Customer Risk.** The Group has a long-established strategy of diversifying its customer base, resulting in the fact that no one customer has a significant percentage of the business. Customer relations are well managed with all our larger customers to ensure a fair-trading relationship. Management monitor debts closely and maintain close relationships with all major customers, which may provide prior warning of likely failure.
- **Currency Risk.** The Group has hedging and currency swaps in place. We have a natural hedge that mitigates against currency movements impacting our earnings in that one of our largest costs, which is print costs, are paid in US Dollars. Borrowings have been taken out in different currencies to mitigate risk of currency movements impacting our net assets.
- **Loss of Intellectual Property.** We regularly review our storage and back-up routines and disciplines. A new title management system for our publishers that improves the security of and access to our IP is expected to be rolled out in the UK in 2017.
- **Economic conditions.** The Group has adequate facilities with \$85m in available debt facilities. In addition, in such an event, the Directors have the ability to make a number of mitigating actions, including the reduction of discretionary spend on pre-publication costs.

Small World Creations Limited

Directors' report (continued)

Principal risks and uncertainties facing the Company (continued)

- **Supply chain risk.** The Group maintains relationships with printers in other parts of the world and is confident that an alternative range of printers could carry out printing if supply from China was interrupted or to mitigate shipping costs. We maintain close relations with our printers, reducing the risk of a lack of knowledge of any printer being in financial trouble. The Group worked with our major printers on a plan to move to sustainable paper and recently instituted a Forest Stewardship Initiative (SFI) paper policy across all our imprints.
- **Cyber Security.** The Group uses firewalls and IT controls to prevent attack as well as maintaining offsite backup of intellectual property. Computerised files of the Group's books are also maintained by printers. We do not store any personal or credit card data on our transactional website quartoknows.com. We undertook a full review and upgrade of our IT systems in 2016.

Financial risk management policies and objectives

The Company's borrowings, liquidity, interest rate and foreign exchange exposures are managed through the parent company. The following policies have been applied during the year to manage the financial risks faced by the Company with regard to funding and liquidity and currency rate exposures:

- **Liquidity risk :** the Company prepares an annual cash flow forecast which is reviewed by the Board covering the next 12 months. This forecast is reviewed in the light of the facilities available to the Company to ensure that we have adequate liquidity. The Directors, having made enquiries, consider that the Company will have adequate resources for the foreseeable future.
- **Currency rate exposure:** the Company's functional currency is the Sterling but with a proportion of our sales and expenditure being denominated in both US\$ and Euros. We try to match our annual US dollar and Euro receipts and payments in order to mitigate the impact that exchange rate fluctuations.

Proposed dividend and transfer to reserves

The directors do not propose the payment of a dividend for the year under review (2016: *£nil*).

The retained profit for the year in the company is *£nil* (2016: *£94,000*).

Small World Creations Limited

Directors' report (continued)

Directors and directors' interests

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

M E Leaver
D Backhouse
D Webber
M D Connole (resigned 30 March 2017)

The company has made qualifying third party indemnity provisions for the benefit of the directors which were made during the year and remain in force at the date of this report.

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

The interests of the directors in the ultimate holding company, The Quarto Group, Inc., are disclosed in the financial statements of that company.

Going concern basis

After making enquires, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. See note 1 to the financial statements.

Future developments and events after the balance sheet date

On 31 December, 2016 the assets and liabilities of the Company were acquired by the parent company, Quarto Publishing plc, at net book value. The Company has since been a dormant company and will be in the foreseeable future.

Financial Reporting Standard No.102 – The Financial Reporting Standard Applicable in the UK and Republic of Ireland (“FRS 102”)

The financial statements set out on pages 6 to 22 have been prepared in accordance with FRS 102. The Directors consider that the company is a qualifying entity under section 1 of FRS 102 and have availed of the disclosure exemptions. The financial statements do not include a cash-flow statement and related notes, a reconciliation of shares outstanding in the period, total intragroup transactions between the entity, its holding company, fellow subsidiaries and joint ventures and remuneration in respect of key management personnel.

Political donations

There were no political donations in either year.


Small World Creations Limited

Directors' report (continued)

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

On behalf of the board


M E Leaver
Director

Registered office:
The Old Brewery
6 Blundell Street
London N7 9BH

19 April 2018

Registered company number: 03389953

Small World Creations 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.

The 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under the 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:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; 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.

Small World Creations Limited

Profit and loss account

for the year ended 31 December 2017

	Notes	2017 £000	2016 £000
<i>Continuing operations</i>			
Turnover	3	-	1,796
Cost of sales		-	(1,167)
		<hr/>	<hr/>
Gross profit		-	629
Administrative expenses		-	(526)
		<hr/>	<hr/>
Operating profit		-	103
Finance income		-	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation	4	-	103
Tax on profit on ordinary activities	7	-	(9)
		<hr/>	<hr/>
Profit for the financial year		-	94
		<hr/>	<hr/>

A statement of comprehensive income as required by FRS 102 has not been prepared as all recognised gains and losses are included within the above profit and loss account. All of the company's transactions during the year ended 31 December 2016 related to continuing business activities. There was no trading in the year ended 31 December 2017.

The profit for the financial year ended 31 December 2016 was wholly attributable to the equity shareholder of the company.

The notes on pages 9 to 22 form part of these financial statements.

Small World Creations Limited

Balance sheet

as at 31 December 2017

		2017	2016
	Notes	£000	£000
Fixed assets			
Intangible assets: intellectual property	8	-	-
Tangible assets	9	-	-
		<u>-</u>	<u>-</u>
		-	-
Current assets			
Stocks	10	-	-
Debtors: amounts falling due within one year	11	122	122
Cash at bank and in hand		-	-
		<u>122</u>	<u>122</u>
Creditors: amounts falling due within one year	12	-	-
		<u>-</u>	<u>-</u>
Net current assets		<u>122</u>	<u>122</u>
Total assets less current liabilities		<u>122</u>	<u>122</u>
		<u>-</u>	<u>-</u>
Net assets		<u>122</u>	<u>122</u>
Capital and reserves			
Called-up share capital	14	2	2
Capital redemption reserve		1	1
Profit and loss account		119	119
		<u>122</u>	<u>122</u>
Shareholder's funds		<u>122</u>	<u>122</u>

- For the year ending 31 December 2017 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.
- The members have not required the company to obtain an audit of its financial statements for the period ended 31 December 2017 in accordance with Section 476 of the Companies Act 2006.
- The director acknowledges his responsibilities for:
 - (a) ensuring that the company keeps accounting records which may comply with Sections 386 and 387 of the Companies Act 2006; and
 - (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements were approved by the board of directors and authorised for issue on 19 April 2018 and were signed on its behalf by:


M.E. Leaver
Director

Company Registered Number 03389953

The notes on pages 9 to 22 form part of these financial statements.

Small World Creations Limited

Statement of changes in equity *for the year ended 31 December 2017*

	Capital Redemption reserve £000	Called-up Share capital £000	Profit and Loss account £000	Total £000
At 1 January 2016	1	2	25	28
Loss for the financial period and total comprehensive loss	-	-	94	94
At 31 December 2016	1	2	119	122
Profit for the financial year and total comprehensive income	-	-	-	-
At 31 December 2017	1	2	119	122

The notes on pages 9 to 22 form part of these financial statements.

Small World Creations Limited

Notes to the financial statements For the year ended 31 December 2017

1 Significant accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding period.

General information and basis of accounting

The Company is incorporated in the United Kingdom under the Companies Act. The address of the registered office is shown on page 4. The nature of the Company's operations and its principal activities are set out in the Directors Report on pages 1 to 4.

The financial statements have been prepared under the historical cost basis of accounting and in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") issued by the Financial Reporting Council.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to presentation of a cash flow statement and remuneration of key management personnel.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report on page 1.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Going concern

At 31 December, 2016 the Company became dormant following the sale of its net assets and liabilities to the parent company. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

Small World Creations Limited

Notes to the financial statements (continued) For the year ended 31 December 2017

1 Significant accounting policies (continued)

Related party transactions

As the Company is a wholly-owned subsidiary of Quarto Publishing plc, the Company has taken advantage of the exemption contained in FRS 102 and has therefore not disclosed material transactions or balances with entities which form part of Quarto Publishing plc (where 100% of the voting rights are controlled within the Group). The consolidated financial statements of the ultimate parent company, The Quarto Group, Inc., within which the Company is included, can be obtained from the address given in Note 17.

Intangible fixed assets: intellectual property

Intellectual property is capitalised at purchase cost and is written off on a straight-line basis over an estimated life of 5 years.

Pre-publication costs

Pre-publication costs are considered to be internally generated intangible assets relating to the development of book titles, prior to their publication. These costs are fully expensed to the profit and loss as incurred.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its estimated useful life, as follows:

Plant, equipment and vehicles	-	15% per annum
Fixtures and fittings	-	15% per annum

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the assets were already of the age and in the condition expected at the end of its useful life.

Small World Creations Limited

Notes to the financial statements (continued) For the year ended 31 December 2017

1 Significant accounting policies (continued)

Financial instruments

- Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

- Fair value measurement

The best evidence of a fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, an entity estimates the fair value using a valuation technique.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

- Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

- Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Small World Creations Limited

Notes to the financial statements (continued) For the year ended 31 December 2017

1 Significant accounting policies (continued)

Taxation

Current tax, including corporation tax and foreign tax if appropriate, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the 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.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries except where the company is able to control the reversal of the timing difference and it is probable that it will not reverse in the future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing differences. Deferred tax relating to property, plant and equipment measured using the revaluation model.

The tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

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

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Small World Creations Limited

Notes to the financial statements (continued) For the year ended 31 December 2017

1 Significant accounting policies (continued)

Retirement benefits

The Company only operates defined contribution schemes. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits 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 in the balance sheet. The amounts charged to the profit and loss for the year amounted to £nil (2016: £21,000). There were no outstanding liabilities at the end of the year (2016: £nil).

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- Exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on that basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term. In accordance with the transitional provisions of FRS 102, lease incentives on leases which were in existence prior to the date of transition have been spread over the shorter of the lease term and the period to the first review date on which the rent is first expected to be adjusted to the prevailing market rate.

Sales in advance

Advances paid to the company from other publishers for the sale of future publications are carried forward as deferred income in the balance sheet until the books are published.

Volume rebates

In the ordinary course of business, the Company receives volume rebates from its printers. This is accounted for in accordance with contractual terms and is credited in full to cost of sales.

Small World Creations Limited

Notes to the financial statements (continued) For the year ended 31 December 2017

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, 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 and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

- Critical judgements in applying the Company's accounting policies

There were no critical judgements, apart from those involving estimations (which are dealt with separately below) that the directors made in the process of applying the Company's accounting policies.

Receivables provisioning

Trade debtors are inherently a critical accounting estimate in relation to the risk of non-recoverability of trade debtors. Management have discussed and challenged the overall receivables position and considered the reasonableness of the level of provisioning.

Small World Creations Limited

Notes to the financial statements (continued) For the year ended 31 December 2017

3 Turnover

	2017 £'000	2016 £'000
<i>Geographical analysis by destination:</i>		
United Kingdom	-	133
United States	-	696
Europe	-	678
Rest of World	-	289
	<u>-</u>	<u>1,796</u>

The Company received no other income apart from the reported turnover above. All the turnover relates to one class of business activity.

4 Profit/(loss) on ordinary activities before taxation

	2017 £'000	2016 £'000
<i>Profit/(loss) on ordinary activities before taxation is stated after charging/(crediting):</i>		
Amortisation of intangible fixed assets : intellectual property	-	3
Depreciation of tangible fixed assets	-	5
Auditor's remuneration – audit of the company's financial statements	-	8
Rentals payable under operating leases on land and buildings	-	30
Foreign exchange (gains)	-	(45)
	<u>-</u>	<u>(45)</u>

There were no non audit services performed in the year or prior period.

Small World Creations Limited

Notes to the financial statements (continued) For the year ended 31 December 2017

5 Remuneration of directors

	2017 £'000	2016 £'000
Remuneration for qualifying services	-	140
Company pension contributions to defined contribution schemes	-	14
	<u>-</u>	<u>154</u>

The number of directors to whom retirement benefits accrued under defined contribution schemes amounted to nil (2016: two).

The emoluments of the M E Leaver and M D Connoles were borne by The Quarto Group Inc. undertakings.

6 Staff numbers and costs

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

	Number of employees	
	2017	2016
Administration and sales	<u>-</u>	<u>9</u>

The aggregate payroll costs of these persons were as follows:

	2017 £'000	2016 £'000
Wages and salaries	-	317
Social security costs	-	32
Other pension costs	-	21
	<u>-</u>	<u>370</u>

Small World Creations Limited

Notes to the financial statements (continued) For the year ended 31 December 2017

7 Taxation

	2017 £'000	2016 £'000
UK current year taxation		
UK corporation tax credit	-	9
Deferred taxation charge/(credit)	-	-
	<u>-</u>	<u>9</u>

The current tax charge for the year is nil (2016: *higher*) than the standard rate of corporation tax in the UK. The differences are explained below:

	2017 £'000	2016 £'000
Profit/(loss) on ordinary activities before tax	-	103
Current tax at 20% (2015: 20%)	-	21
Effects of:		
Utilisation of tax losses	-	(2)
Change in unrecognised deferred tax assets	-	(10)
Total tax charge	<u>-</u>	<u>9</u>

The Company has tax losses of £nil (2015 : £202,000) carried forward at the end of the year and not recognised as a deferred tax asset as management is uncertain that these losses can be utilised in the future.

Deferred taxation balance

	2017 £'000	2016 £'000
Balance at 1 January	-	-
Credit for the year/period (in respect of timing differences)	-	-
	<u>-</u>	<u>-</u>
Balance at 31 December	<u>-</u>	<u>-</u>

The headline rate of UK corporation tax reduced from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015. Deferred tax assets have been measured at the tax rates that are expected to apply to the period when the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Small World Creations Limited

Notes to the financial statements (continued)
For the year ended 31 December 2017

8 Intangible fixed assets: intellectual property

	Intellectual property £'000
Cost	
At 1 January 2017	-
Disposals	-
	<hr/>
At 31 December 2017	-
	<hr/>
Amortisation	
At 1 January 2017	-
Charge for year	-
Disposals	-
	<hr/>
At 31 December 2017	-
	<hr/>
Net book value	
At 31 December 2017	-
	<hr/>
At 31 December 2016	-
	<hr/>

Small World Creations Limited

Notes to the financial statements (continued) For the year ended 31 December 2017

9 Tangible fixed assets

	Fixtures and fittings £'000	Equipment £'000	Total £'000
Cost			
At beginning of year	-	-	-
Additions	-	-	-
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At end of year	-	-	-
	<hr/>	<hr/>	<hr/>
Depreciation			
At beginning of year	-	-	-
Charge for year	-	-	-
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At end of year	-	-	-
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2017	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2016	-	-	-
	<hr/>	<hr/>	<hr/>

10 Stocks

	2017 £'000	2016 £'000
Finished goods	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

Small World Creations Limited

Notes to the financial statements (continued)
For the year ended 31 December 2017

11 Debtors: amounts falling due within one year

	2017	2016
	£'000	£'000
<i>Amounts due within one year:</i>		
Trade debtors	-	-
Amounts owed by group undertakings	122	122
Prepayments and accrued income	-	-
Other debtors	-	-
Corporation tax	-	-
	<u>122</u>	<u>122</u>

All amounts owed by group undertakings are interest free and repayable on demand.

12 Creditors: amounts falling due within one year

	2017	2016
	£'000	£'000
Trade creditors	-	-
Amounts owed to group undertakings	-	-
Other creditors	-	-
Accruals and deferred income	-	-
	<u>-</u>	<u>-</u>

All amounts owed to group undertakings are interest free and repayable on demand.

Small World Creations Limited

Notes to the financial statements (continued) For the year ended 31 December 2017

13 Financial instruments

The carrying values of the Company's financial assets and liabilities are summarised by category below:

	2017 £000	2016 £000
Financial assets		
Measured at undiscounted amount receivable		
Trade debtors (see note 11)	-	-
Amounts due from related undertakings (see note 11)	122	122
Cash at bank and in hand	-	-
	<u>122</u>	<u>122</u>
Financial liabilities		
Measured at undiscounted amount payable		
Trade payables (see note 12)	-	-
Amounts due from related undertakings (see note 12)	-	-
	<u>-</u>	<u>-</u>

The Company's income, expense, gains and losses in respect of financial instruments are summarised below:

	2017 £000	2016 £000
Interest income and expense		
Total interest income for financial assets at amortised cost	-	-
Total interest expenses for financial liabilities at amortised cost	-	-
	<u>-</u>	<u>-</u>

14 Called-up share capital

	2017 £	2016 £
Authorised, allotted, called up and fully paid 1,536 ordinary shares of £1 each	<u>1,536</u>	<u>1,536</u>

Small World Creations Limited

Notes to the financial statements (continued) For the year ended 31 December 2017

15 Commitments

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

	Land and buildings	
	2017	2016
	£'000	£'000
Within one year	-	-
In the second to fifth years inclusive	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

16 Related party transactions

Kingston House Property Partnership is owned by two of the directors, D Backhouse and D Webber, as trustees of the Small World Creations Retirement Benefit Scheme. During the year, £nil (2016: £30,000) was paid to Kingston House Property Partnership for rent of the property.

17 Ultimate parent company and parent undertaking of larger group

The company is a subsidiary undertaking of Quarto Publishing plc. The Quarto Group, Inc. is the ultimate parent company and the controlling party, incorporated in the United States of America.

The largest group in which the results of the company are consolidated is that headed by The Quarto Group, Inc. incorporated in the United States of America.

The consolidated financial statements of The Quarto Group, Inc. are available to the public and may be obtained from:

Quarto Publishing plc
The Old Brewery
6 Blundell Street
London
N7 9BH