

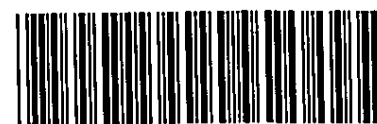
METHUEN PUBLISHING LIMITED

Annual Report

For the year ended 31 December 2010

Registered number: 3543167

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COMPANIES HOUSE

Methuen Publishing Limited

Report of the directors for the year ended 31 December 2010

The directors present their report and the financial statements for the year ended 31 December 2010

Principal activities

The principal activity of the company is the publishing of books for sale in the UK and in the principal English speaking countries of the world

Review of business and future developments

In the year to 31 December 2010, the company's trading fell below expectations. There was just a handful of new publications and back list titles contributed most to revenue. Our two editions of *1066 and All That*, novels by *H E Bates*, the *Thelwell* humour titles and Robert McKee's book on the art of screenwriting, *Story*, all saw reasonable demand. Revenue for the year at £335,141 produced an operating loss of £1,815 before interest and amortisation costs of £15,206.

The company moved into calmer waters in 2010 and 2011. A dispute with Pitney Bowes over a franking machine more suitable for ICI in its heyday was resolved and the lease terminated. All agreed sums have now been paid. A dispute over fees for so-called professional services rendered by PricewaterhouseCoopers was also settled and paid as agreed. There is an outstanding dispute with Bloomsbury Publishing Plc on sales returns and their misuse of 'Methuen'. We should take action but have been deterred by costs.

The remaining major issue concerns the lease of premises occupied by Westminster Bookshop. Methuen guaranteed the lease in 2004. Attempts to surrender the lease are being made now. Methuen will accept responsibility for costs. The retail bookshop has been a costly mistake.

In 2012, we expect to publish more new titles than was achieved in 2010 and 2011 (our recently improved web site carries details) and to achieve an improved result from some modest growth.

Dividends and transfer to reserves

The directors do not propose the payment of a dividend on ordinary shares.

Directors and their interests in shares of the company

The directors of the company who held office during the year together with their interests in the 'A' ordinary shares of £0.05 each in the company at 31 December 2010 and 31 December 2009 were as follows

	31 December 2010 Number	31 December 2009 Number
P E Tummons	79,180	79,180

The directors do not hold any options to subscribe for shares in the company

Employee Share Scheme

On 29 June 2000, the company made a loan to the Methuen Publishing Limited Employee Share Scheme of £56,700. The share scheme then purchased 79,180 'A' ordinary shares of £0.05 each in the company. There are outstanding calls on these shares of £22,787.

Charitable and political donations

The company did not make any charitable or political donations during the year.



P E Tummons
8 December 2011

Methuen Publishing Limited

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year or period that 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. The directors are required to prepare financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

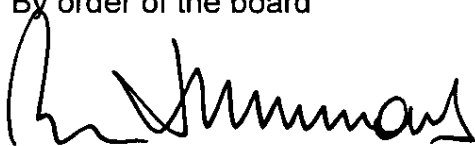
The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2010 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

Auditors

The company is a small company as defined by the Companies Act and is not obliged to appoint auditors.

By order of the board

A handwritten signature in black ink, appearing to read 'P E Tummons', written over a horizontal line.

P E Tummons
Director
8 December 2011

METHUEN PUBLISHING LIMITED

Profit and loss account for the year ended 31 December 2010

	Notes	2010 Twelve months £	2009 Eighteen months £
Turnover	2	335,141	517,625
Cost of sales		<u>-127,405</u>	<u>-188,852</u>
Gross profit		207,736	328,773
Other operating expenses			
Distribution		-70,150	-103,869
Wages and salaries		0	-62,426
Payments to contractors		-40,025	-4,998
Director's salary		-4,537	0
Other Administration Costs		<u>-94,839</u>	<u>-108,504</u>
Operating profit/(loss)	3	-1,815	48,976
Interest payable and similar charges	5	-5,206	-8,633
Amortisation	7	-10,000	0
Industrial Tribunal Award and Legal Costs		0	-26,900
Profit/(loss) on ordinary activities before taxation		<u>-17,021</u>	<u>13,443</u>
Surplus on disposal of publishing rights		<u>0</u>	<u>0</u>
Profit/(loss) for the year before taxation		-17,021	13,443
Taxation	6	<u>0</u>	<u>0</u>
Profit/(loss) for the year after taxation		-17,021	13,443
Appropriations - Dividends on 8% Preference Shares		0	0
Profit/(loss) for the year		<u><u>-17,021</u></u>	<u><u>13,443</u></u>

METHUEN PUBLISHING LIMITED**Balance sheet
as at 31 December 2010**

	Notes	2010	2009
Fixed assets			
Intangible assets	7	82,200	42,200
Tangible assets	8	1,500	1,500
Investments	9	-	50,000
		<u>83,700</u>	<u>93,700</u>
Current assets			
Stocks	10	57,178	73,254
Debtors	11	153,152	249,768
Cash	12	-5,300	-7,316
		<u>205,030</u>	<u>315,706</u>
Creditors	12	-272,234	-375,889
Net current assets		<u>-67,204</u>	<u>-60,183</u>
Total assets less current liabilities		16,496	33,517
Net assets/(liabilities)		<u>16,496</u>	<u>33,517</u>
Capital and reserves			
Called up share capital	14	8,418	8,418
Share premium account		-	-
Provisions for liabilities and charges	13	5,634	5,634
Profit and loss account		2,444	19,465
Shareholders' funds	16	<u>16,496</u>	<u>33,517</u>

For the year ended 31 December 2010 the company was entitled to exemption from audit under section 477 of the Companies Act 2006

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts

The financial statements attached were approved on 9 December 2011 and were signed by

P E Tummons
Director



Notes to the financial statements for the year ended 31 December 2010

1 Principal accounting policies

The financial statements have been prepared under the historical cost convention, in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies is set out below.

Basis of preparing the financial statements – going concern assumption

The financial statements have been prepared on the going concern basis, which assumes that the company will continue in operational existence for the foreseeable future.

Changes in accounting policies

No changes have been made to accounting policies.

Basis of preparing the financial statements – exemption from consolidation

The company is exempt from preparing consolidated financial statements as it and its subsidiary undertaking qualify as a small group.

Tangible fixed assets

Depreciation is calculated so as to write off the cost of tangible fixed assets less their estimated residual value on a straight-line basis over the expected useful economic lives of the assets concerned. The annual rates used for this purpose are Office equipment 50%, Furniture and fittings 25%.

Cash flow statement

The company qualifies as a small company under the provisions of the Companies Act 2006 and is exempt from publishing a cash flow statement.

Stocks

Stocks of books are stated at the lower of cost and net realisable value. No overheads are included within the stock value. A provision for slow moving stocks is made based on industry knowledge and historic trends associated with different types of publication.

Provisions

The provision to reflect the risk of customer returns is based on current and historic industry knowledge applicable to returns.

2 Turnover

An analysis of turnover by destination is given below

	Twelve months 2010 £	Eighteen months 2009 £
United Kingdom	307,238	482,222
Rest of Europe	12,695	14,320
USA	1,446	10,657
Rest of World	13,762	10,426
	335,141	517,625

An analysis of turnover by class of business is given below

	2010 £	2009 £
Sales of publications	276,839	464,823
Other sales	58,302	52,802
	335,141	517,625

3 Operating Profit

	2010 £	2009 £
Operating profit is stated after charging		
Interest payable and similar charges	5,206	8,633
Amortisation of Goodwill	10,000	-
Operating lease charges - land and buildings	22,500	33,750

4 Other operating expenses

	2010 £	2009 £
Distribution costs	70,150	103,869
Administration expenses	139,401	175,928
	209,551	279,797

5 Interest payable and similar charges

	2010 £	2009 £
Bank interest payable	98	61
Bank charges	2,002	4,659
Other interest	3,106	3,913
	5,206	8,633

6 Taxation

	2010 £	2009 £
Charge for the year based on ordinary activities	-	-
Total tax on ordinary activities	<u>-</u>	<u>-</u>

7 Intangible fixed assets

Goodwill

Cost brought forward at 1 January 2010	1,497,680
Add publishing rights Politico's imprint	<u>50,000</u>
	<u>1,547,680</u>

Amortisation

As at 1 January 2010	1,455,480
Amortisation	10,000
Disposal	<u>-</u>
	<u>1,465,480</u>

Net book amount at 31 December 2010 **82,200**

Net book amount at 31 December 2009 **42,200**

8 Tangible fixed assets

	Office Equipment £	Furniture & Fittings £	Total £
Cost			
At 1 January 2010	100,831	22,798	123,629
Additions	-	-	-
At 31 December 2010	<u>100,831</u>	<u>22,798</u>	<u>123,629</u>
Depreciation			
At 1 January 2010	99,331	22,798	122,129
Charge for the year	-	-	-
At 31 December 2010	<u>99,331</u>	<u>22,798</u>	<u>122,129</u>
Net book amount at 31 December 2010	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Net book amount at 31 December 2009	<u>1,500</u>	<u>-</u>	<u>1,500</u>

9 Investments

Investments in Subsidiary
Undertakings
£

Investments at 1 January 2010	50,000
Transferred to Goodwill	-50,000
At 31 December 2010	<u>-</u>

10 Stocks

	2010 £	2009 £
Work in progress	2,362	5,958
Books for resale	54,816	67,296
	<u>57,178</u>	<u>73,254</u>

11 Debtors

Amounts falling due within one year

	2010 £	2009 £
Trade debtors	73,743	117,021
Amounts owed by group undertakings	16,955	68,787
Other debtors	59,804	61,208
Prepayments	2,650	2,752
	<u>153,152</u>	<u>249,768</u>

12 Creditors

Amounts falling due within one year

	2010 £	2009 £
Trade creditors	147,089	185,754
Other taxation and social security payable	5,384	6,384
Other creditors	115,243	157,306
Accruals and deferred income	4,518	26,445
	<u>272,234</u>	<u>375,889</u>
	2010 £	2009 £
Bank overdraft (The company has no agreed overdraft)	5,300	7,316
Loan notes	-	-
	<u>5,300</u>	<u>7,316</u>

13 Provision for liabilities and charges

	Provision for sales returns £
At 1 January 2010	5,634
Release to profit and loss account	-
At 31 December 2010	<u>5,634</u>

14 Authorised and called up share capital

	2010 Number	2010 £	2009 Number	2009 £
Authorised				
'A' ordinary shares of £0.05 each	168,360	8,418	168,360	8,418
'B' ordinary shares of £0.05 each	238,307	11,915	238,307	11,915
'C' ordinary shares of £0.05 each	100	5	100	5
Preference shares of £1.00 each	323,530	323,530	323,530	323,530
	<u>730,297</u>	<u>343,868</u>	<u>730,297</u>	<u>343,868</u>
Allotted, called up and paid				
'A' ordinary shares of £0.05 each	145,573	7,279	145,573	7,279
	<u>145,573</u>	<u>7,279</u>	<u>145,573</u>	<u>7,279</u>
Allotted, called up and not paid				
'A' ordinary shares of £0.05 each	22,787	1,139	22,787	1,139
	<u>22,787</u>	<u>1,139</u>	<u>22,787</u>	<u>1,139</u>
	<u>168,360</u>	<u>8,418</u>	<u>168,360</u>	<u>8,418</u>

15 Share premium account and reserves

	Share premium account £	Profit & loss account £
At 1 January 2010	-	19,465
Profit/(loss) for the year		-17,021
At 31 December 2010	<u>-</u>	<u>2,444</u>

Investment in own shares represents 79,180 'A' ordinary shares of £0.05 each held by Methuen Publishing Limited Employee Share Scheme

16	Reconciliation of movements in shareholders' funds/(deficit)		
		2010	2009
		£	£
	Profit/(loss) for the financial period after taxation	-17,021	13,443
	Deferred liabilities and charges	0	-14,535
	Net addition/(deduction) from shareholders' funds	-17,021	-1,092
	Opening shareholders' funds/(deficit)	33,517	34,609
	Closing shareholders' funds/(deficit)	16,496	33,517

17 Financial commitments

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as follows

	2010	2009
	£	£
Land and buildings		
Expiring within two to five years	22,500	22,500

18 Deferred taxation

The total potential liability/(asset) of deferred taxation is not considered material

19 Related party transactions

Included in debtors is an amount of £22,787 (2008 £22,787) representing unpaid calls on 79,180 'B' ordinary shares due from the MESS