

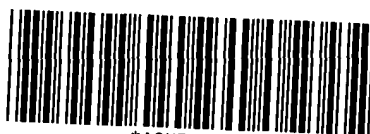
Registered number: 05156636

MORTIMER BOOKS LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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MORTIMER BOOKS LTD

COMPANY INFORMATION

Directors	Marcus Leaver Mark Smith
Registered number	05156636
Registered office	20 Mortimer Street London W1T 3JW
Independent auditor	SRLV Audit Limited Chartered Accountants and Statutory Auditor Elsley Court 20-22 Great Titchfield Street London W1W 8BE

MORTIMER BOOKS LTD

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MORTIMER BOOKS LTD

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Business review

On 1 April 2019, Welbeck Publishing Group Limited completed the acquisition of Mortimer Books Ltd and its subsidiaries. As a result of the acquisition, Welbeck Publishing Group Limited is now the holding company for the group and no trading activity has taken place in Mortimer Books Ltd post acquisition. The directors expect this to be unchanged going forward.

The wider group continues to invest in the creation of new titles and formats. The directors regard continuous investment as a prerequisite for the group's medium to long term performance. The directors consider that this performance will be enhanced by expanding into adult and children's fiction and narrative non-fiction formats.

Financial key performance indicators

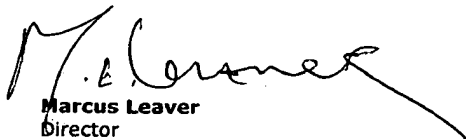
The directors do not consider there to be any key financial performance indicators applicable to the company to monitor and manage the business effectively.

Principal risks and uncertainties

Due to the change in activity of the company as a result of the acquisition by Welbeck Publishing Group Limited, the directors consider the company's exposure to principal risks and uncertainties to be low.

The directors are managing the short-term impact of COVID-19 by using a variety of cost-saving measures in order to protect cash and profit across the group. They are confident that the current strategy will ensure the long-term success of the business.

This report was approved by the board on 18 December 2020 and signed on its behalf.


Marcus Leaver
Director

MORTIMER BOOKS LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

On 1 April 2019, the company changed its name from Jonathan Goodman Publishing Limited to Mortimer Books Ltd.

Principal activity

The principal activity of the company during the year was that of a holding company.

Results and dividends

The profit for the year, after taxation, amounted to £NIL (2018 - £619,356).

No interim or final dividend was recommended during the year (2018 - £94,800).

Directors

The directors who served during the year were:

Marcus Leaver (appointed 1 April 2019)
Mark Smith (appointed 1 April 2019)
Jonathan Goodman (resigned 1 April 2019)
Michael Zilkha (resigned 1 April 2019)

Future developments

The directors are confident that by pursuing the management policies the company will achieve continued successes in the years ahead.

Matters covered in the strategic report

The principal risks and uncertainties facing the company and key financial performance indicators have been considered in the strategic report.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

SRLV Audit Limited was appointed auditor during the year. Under section 487(2) of the Companies Act 2006, SRLV Audit Limited will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

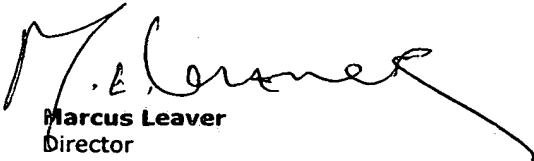
MORTIMER BOOKS LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Post balance sheet events

There have been no significant events affecting the company since the year end.

This report was approved by the board on 18 December 2020 and signed on its behalf.


Marcus Leaver
Director

MORTIMER BOOKS LTD

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

MORTIMER BOOKS LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORTIMER BOOKS LTD

Opinion

We have audited the financial statements of Mortimer Books Ltd (the 'company') for the year ended 31 December 2019, which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its result 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

MORTIMER BOOKS LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORTIMER BOOKS LTD

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

MORTIMER BOOKS LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORTIMER BOOKS LTD

Use of our report

This report is made solely to the company's members 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 for our audit work, for this report, or for the opinions we have formed.

SRLV Audit Limited

Richard Gilbert (Senior Statutory Auditor)

for and on behalf of
SRLV Audit Limited

Chartered Accountants and Statutory Auditor

Elsley Court
20-22 Great Titchfield Street
London
W1W 8BE

18 December 2020

MORTIMER BOOKS LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Administrative expenses		-	(161,228)
Other operating income	4	-	200,000
Operating profit		-	38,772
Income from shares in group undertakings		-	600,000
Interest payable and similar charges	8	-	(5,440)
Profit before tax		-	633,332
Tax on profit	9	-	(13,976)
Profit for the financial year		-	619,356

There was no other comprehensive income for 2019 (2018 - £NIL).

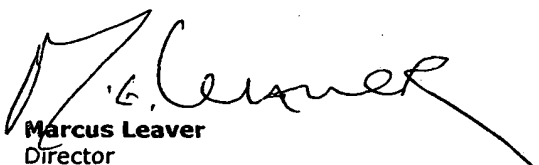
The notes on pages 11 to 17 form part of these financial statements.

MORTIMER BOOKS LTD
REGISTERED NUMBER:05156636

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	11	1,800,000	1,800,000
		1,800,000	1,800,000
Creditors: amounts falling due within one year	12	(872,445)	(872,445)
Net current liabilities		(872,445)	(872,445)
Total assets less current liabilities		927,555	927,555
Net assets		927,555	927,555
Capital and reserves			
Called up share capital	13	202	202
Share premium account	14	459	459
Profit and loss account	14	926,894	926,894
		927,555	927,555

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 December 2020.


Marcus Leaver
 Director

The notes on pages 11 to 17 form part of these financial statements.

MORTIMER BOOKS LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2018	202	459	402,338	402,999
Comprehensive income for the year				
Profit for the year	-	-	619,356	619,356
Total comprehensive income for the year	-	-	619,356	619,356
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(94,800)	(94,800)
Total transactions with owners	-	-	(94,800)	(94,800)
At 1 January 2019	202	459	926,894	927,555
Total comprehensive income for the year	-	-	-	-
At 31 December 2019	202	459	926,894	927,555

MORTIMER BOOKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

The principal activity of the company is that of a holding company.

The company is a private company limited by shares and is registered in England & Wales. The address of the registered office and principal place of business is 20 Mortimer Street, London, W1T 3JW.

On 1 April 2019, the company changed its name from Jonathan Goodman Publishing Limited to Mortimer Books Ltd.

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The company itself is a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Welbeck Publishing Group Limited as at 31 December 2019 and these financial statements may be obtained from 20 Mortimer Street, London, W1T 3JW.

2.3 Going concern

The directors are assessing, on a daily basis, the impact of the significant uncertainty arising from the COVID-19 virus. The directors appreciate that there is significant uncertainty surrounding the future economic climate. They have considered the position of the company as at the period end as well as at the date of signature of the financial statements. They have also considered the support available from the parent company. The directors are satisfied that the company will be able to satisfy its financial obligations for at least 12 months from the date of signature of the financial statements, which have been prepared on the going concern basis.

MORTIMER BOOKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is pound sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss account.

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.6 Taxation

Tax is recognised in profit or loss 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.

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. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Creditors

Short term creditors are measured at the transaction price.

MORTIMER BOOKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.9 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as balances with group undertakings.

Debt instruments that are payable within one year are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid.

2.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying value of assets and liabilities. The director's judgement, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to the inherent sensitivity involved in making judgements, estimates and assumptions, the actual results and outcomes may differ.

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

Critical judgements in applying the company's accounting policies

Assessing indicators of impairment of investments

In assessing whether there have been any indicators of impairment to assets, the directors have considered both external and internal sources of information such as market conditions and experience of recoverability.

Key accounting estimates and assumptions

The directors do not consider there to be any key accounting estimates or assumptions affecting the company that may have a significant risk of a material error to the carrying amount of assets and liabilities.

4. Other operating income

	2019 £	2018 £
Management fees	-	200,000

5. Auditor's remuneration

The audit and tax fees for the current year have been borne by a group company (2018 - £3,000).

MORTIMER BOOKS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2019	2018
	£	£
Wages and salaries	-	81,596
Social security costs	-	10,350
	<u>-</u>	<u>91,946</u>

The company has no employees other than the directors.

7. Directors' remuneration

	2019	2018
	£	£
Directors' emoluments	<u>-</u>	<u>81,596</u>

8. Interest payable and similar charges

	2019	2018
	£	£
Group interest payable	<u>-</u>	<u>5,440</u>

9. Taxation

	2019	2018
	£	£
Corporation tax		
Current tax on profits for the year	-	1,403
Total current tax	<u>-</u>	<u>1,403</u>
Deferred tax		
Origination and reversal of timing differences	-	12,573
Total deferred tax	<u>-</u>	<u>12,573</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>13,976</u>

MORTIMER BOOKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	-	633,332
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	-	120,333
Effects of:		
Expenses not deductible for tax purposes	-	7,643
Dividends from UK companies	-	(114,000)
Total tax charge for the year	-	13,976

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

10. Dividends

	2019 £	2018 £
Dividends paid on equity capital	-	94,800

MORTIMER BOOKS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2019	1,800,000
At 31 December 2019	<u>1,800,000</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Principal activity	Country of incorporation	Class of shares	Holding
Carlton Books Limited	Publication of books	England and Wales	Ordinary	100%
Andre Deutsch Limited	Publication of books	England and Wales	Ordinary	100%

The address of the registered office of the above companies is 20 Mortimer Street, London, W1T 3JW.

12. Creditors: Amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	872,445	871,042
Corporation tax	-	1,403
	<u>872,445</u>	<u>872,445</u>

13. Share capital

	2019 £	2018 £
Authorised, allotted, called up and fully paid		
102 A ordinary shares of £1 each	102	102
98 B ordinary shares of £1 each	98	98
2 Deferred shares of £1 each	2	2
	<u>202</u>	<u>202</u>

The 'A' shares and 'B' shares rank pari passu and are entitled to share equally in any dividend or other distribution declared by the company. The deferred shares do not carry a right to dividend, repayment of capital or voting entitlement, other than to a return of their nominal value when the A and B shares have been repaid in full the nominal value of their shares together with a premium of £1,000,000 per share.

MORTIMER BOOKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

14. Reserves

Share premium account

Represents the amount paid for shares above the nominal value.

15. Contingent liabilities

There are fixed and floating charges over the intellectual property, property, assets and rights of the company in favour of the bank and previous directors.

16. Related party transactions

No disclosure has been made of transactions with other wholly owned group companies in accordance with FRS 102 Section 33 paragraph 33.1A as the company is a wholly owned subsidiary of Welbeck Publishing Group Limited.

17. Ultimate parent undertaking and controlling party

The parent of the smallest and largest group for which consolidated accounts are prepared of which the company is a member is Welbeck Publishing Group Limited, a company registered in England and Wales. The immediate and ultimate parent undertaking is Welbeck Publishing Group Limited. A copy of the consolidated financial statements may be obtained from its registered office.

The directors do not consider there to be one ultimate controlling party by virtue of the shareholdings held.