

Registered number: 05156636

MORTIMER BOOKS LTD

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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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 2020

Business review

Welbeck Publishing Group Limited remains the holding company of Mortimer Books Ltd and of the wider group and no trading activity has taken place in Mortimer Books Ltd during the year. 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.

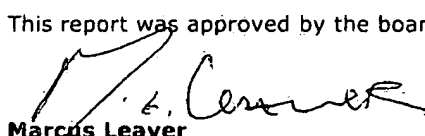
Principal risks and uncertainties

Due to the ongoing absence of any trading activity by the company, 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

and signed on its behalf.


Marcus Leaver
Director

21/10/21

MORTIMER BOOKS LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Principal activity

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

Directors

The directors who served during the year were:

Marcus Leaver
Mark Smith

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

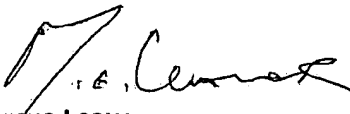
Under section 487(2) of the Companies Act 2006, SRLV Audit Limited will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

and signed on its behalf.


Marcus Leaver
Director

21/10/21

MORTIMER BOOKS LTD

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020, which comprise the statement of comprehensive income, the balance sheet 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 2020 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

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

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 set out on page 3, 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.

MORTIMER BOOKS LTD

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the entity's industry and sector, control environment, business performance and management incentives;
- the results of our specific enquiries of management and those charged with governance about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of noncompliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override of controls.

We also obtained an understanding of the legal and regulatory frameworks in which the company operates, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls: testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting

MORTIMER BOOKS LTD

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

estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Whilst the procedures above describe the extent to which our procedures are capable of detecting irregularities, including fraud, there are inherent limitations in these audit procedures. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, misrepresentation or through collusion. We are not responsible for preventing irregularities, including fraud, or non-compliance with laws and regulations and cannot be expected to detect all irregularities or non-compliance with all laws and regulations.

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.

Use of our report

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

SPW 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

10 November 2021

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

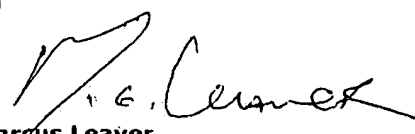
There was no profit or loss arising in the year as the company did not trade. There was no other comprehensive income for 2020 (2019 - £NIL)

MORTIMER BOOKS LTD
REGISTERED NUMBER:05156636

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	6	<u>1,802,292</u>	<u>1,800,000</u>
		1,802,292	1,800,000
Creditors: amounts falling due within one year	7	<u>(874,737)</u>	<u>(872,445)</u>
Net current liabilities		(874,737)	(872,445)
Total assets less current liabilities		927,555	927,555
Net assets		<u>927,555</u>	<u>927,555</u>
Capital and reserves			
Called up share capital	8	202	202
Share premium account	9	459	459
Profit and loss account	9	<u>926,894</u>	<u>926,894</u>
		<u>927,555</u>	<u>927,555</u>

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


Marcus Leaver
 Director

21/10/21

The notes on pages 10 to 13 form part of these financial statements.

MORTIMER BOOKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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 and Wales. The address of the registered office and principal place of business is 20 Mortimer Street, London, W1T 3JW.

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

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.

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 2020 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.

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

MORTIMER BOOKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.5 Creditors

Short term creditors are measured at the transaction price.

2.6 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.

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 directors' 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. Auditor's remuneration

The audit and tax fees for the current and previous year have been borne by a group company.

5. Employees

The company has no employees other than the directors 2 (2019 - 2).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Fixed asset investments

	Investments in subsidiary companies £
Cost:	
At 1 January 2020	1,800,000
Additions	2,292
At 31 December 2020	<u>1,802,292</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
Carlton Books Limited	Publication of books	Ordinary	100%
Andre Deutsch Limited	Publication of books	Ordinary	100%
Welbeck Children's Limited	Publication of books	Ordinary	100%
Welbeck Fiction Limited	Publication of books	Ordinary	100%
Welbeck Non-Fiction Limited	Publication of books	Ordinary	100%
Welbeck Trigger Limited	Publication of books	Ordinary	51%

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

7. Creditors: Amounts falling due within one year

	2020 £	2019 £
Amounts owed to group undertakings	<u>874,737</u>	<u>872,445</u>

MORTIMER BOOKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

8. Share capital

	2020 £	2019 £
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
	<hr/>	<hr/>
	202	202
	<hr/>	<hr/>

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.

9. Reserves

Share premium account

Represents the amount paid for shares above the nominal value.

Profit and loss account

Includes all current and prior period retained profits and losses.

10. Contingent liabilities

The company has entered into a corporate cross guarantee, together with Welbeck Publishing Group Limited and Andre Deutsch Limited, to secure the banking arrangements of Carlton Books Limited. At the balance sheet date, the indebtedness under this arrangement amounted to £2.5m. There are fixed and floating charges over the intellectual property, property, assets and rights of the company in relation to this cross guarantee.

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.

11. 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.

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.