Registered number: 06387977

MICHAEL INNES LITERARY MANAGEMENT LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note		2017 £		2016 £
Fixed assets					
Intangible assets	5		-		-
Debtors: amounts falling due after more than one year	6		2,876		3,378
			2,876		3,378
Current assets					
Debtors: amounts falling due within one year	6	12,707		8,650	
Cash at bank and in hand	7	104		31	
		12,811		8,681	
Creditors: amounts falling due within one year	8	(2,400)		(2,076)	
Net current assets			10,411		6,605
Total assets less current liabilities			13,287		9,983
Net assets			13,287		9,983
Capital and reserves					
Called up share capital			30,000		30,000
Profit and loss account			(16,713)		(20,017)
			13,287		9,983

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2017

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

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

Kevin Allan Jones
Director

Date: 16/8/2018

The notes on pages 3 to 10 form part of these financial statements.

1. General information

Michael Innes Literary Management Limited is a private company limited by share capital, incorporated under the UK Companies Act and domiciled in England. The address of the Company's registered office is 55 New Oxford Street, London, WC1A 1BS.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with Financial Reporting Standard 102 requires the use of certain critical accounting estimates and the exercise of judgment in applying the Company's accounting policies. For the current and preceding financial reporting periods, there were no significant judgments and/or sources of estimation uncertainty that would require disclosure to be made under Section 1A of Financial Reporting Standard 102.

2.2 Going concern

The directors having reviewed the Company's performance up to the date these financial statements were approved, as well as internally prepared forecasts and projections and taking into account possible changes in trading performance, determine that the Company will be able to operate within the level of its current facilities and have a reasonable expectation that the Company has available at its disposal, adequate resources to continue in operational existence for the foreseeable future.

While there will always remain inherent uncertainty, the directors consider it appropriate to continue to adopt the going concern basis in preparing the Company's financial statements and have not recognised any adjustments in the financial statements that would arise if the going concern basis were to become no longer appropriate.

2.3 Foreign currency translation

Functional and presentational currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency").

The functional currency of the Company, and the currency in which the financial statements are presented (the "presentational currency"), is 'Pounds Sterling' (£) rounded to the nearest single unit of currency.

Transactions and balances

Foreign currencies are translated into the functional (and presentational) currency using the exchange rates prevailing at the date of the respective transaction or valuation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss as part of total comprehensive income.

2. Accounting policies (continued)

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation and impairments are charged to profit or loss as part of total comprehensive income.

Where factors, such as technological advancement or changes in market price, indicate that the residual value and/or useful life of an intangible asset has changed, the residual value, useful life and/or amortisation rate is amended prospectively to reflect the new circumstances. The carrying amount of intangible assets held are also reviewed and adjusted for, where considered appropriate, should factors identified indicate the existence of an impairment in valuation.

Costs associated with maintaining intangible assets are recognised as an expense as incurred.

2.5 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities; with said financial assets and liabilities classified in accordance with the substance of the underlying contractual obligations rather than its legal form.

Financial assets and liabilities are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

The measurement of financial assets, financial liabilities and equity held by the Company is as outlined below:

Financial assets and liabilities held at fair value through profit and loss are initially, and subsequently re-measured at each balance sheet date, at fair value with any gains or losses on re-measurement immediately recognised in total comprehensive income as part of profit or loss.

Financial assets and liabilities deemed to be short term in nature are initially measured at transaction price (i.e fair value) and subsequently held, at transaction price less provision for impairment. Other financial assets and liabilities deemed not to be short term are initially measured at fair value, net of transaction costs, and subsequently measured at amortised cost using the effective interest method with the interest income or expense recognised on an effective yield basis.

Transaction costs that are directly attributable towards the acquisition or issue of financial assets and liabilities are added to or deducted from the fair value, as appropriate, on initial recognition; except for financial assets and liabilities held at fair value through profit or loss for which transaction costs are recognised immediately in profit or loss as part of total comprehensive income.

Ordinary share capital, shown in equity, is initially measured at transaction price with incremental costs directly attributable to the issue of said Ordinary shares shown in equity as a deduction, net of tax, from consideration receivable.

2. Accounting policies (continued)

2.5 Financial instruments (continued)

Equity dividends are recognised in the period in which they become legally payable within the statement of changes in equity. Interim equity dividends are recognised when paid and final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Financial instruments are derecognised when either;

- the contractual rights to the cash flows expire or are settled, or;
- substantially all the risks and rewards of ownership are transferred to another party; or;
- despite having retained some significant risks and rewards of ownership, control has been transferred to another party who has the practical ability to unilaterally trade the instrument to an unrelated third party without imposing additional restrictions.

2.6 Cash and cash equivalents

Cash and cash equivalents are classified by the Company as financial instruments being held at fair value through profit and loss.

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. The Company held no such cash equivalents during either the current or preceding financial reporting periods.

In the statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.7 Revenue

Turnover comprises revenue receivable by the Company in respect of royalties and advances receivable from the exploitation of intellectual property in connection with rights, titles and interest held by the Company in literary estates, exclusive of Value Added Tax.

Revenue in respect of royalties and advances receivable is recognised as and when the Company receives notification of amounts, during the reporting period, with amounts accrued and/or deferred in accordance with the terms of the underlying contract.

2. Accounting policies (continued)

2.8 Current and deferred taxation

The tax expense for the financial reporting period comprises of current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds respectively.

Current tax is calculated using tax rates and on the basis of tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions, where appropriate, on the basis of amounts expected to be payable to the respective tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their respective carrying amounts in the financial statements.

Deferred tax is calculated using tax rates and on the basis of tax laws enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred tax asset/liability is realised/settled.

Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction does not impact either accounting or taxable profit or loss. Deferred tax assets are recognised only to the extent that it is sufficiently probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the respective deferred tax assets and liabilities relate to current taxation levied by the same tax authority on either the same taxable entity or different taxable entities where there is an intention to settle balances on a net basis.

3. Auditors' remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £996 (2016: £1,000).

4. Employees

The Company had no employees, other than its directors, during the current and preceding financial reporting periods.

Key management personnel

The directors of the ultimate parent undertaking, as disclosed in note 12 to the financial statements, are recognised as being the key management personnel of the Company. It is these individuals whom together hold joint responsibility for planning, directing and controlling the activities of the Company.

No remuneration was payable to key management personnel by the Company during the current and preceding financial reporting periods.

5. Intangible assets

	Other intangible assets £
Cost	
At 1 January 2017	30,000
At 31 December 2017	30,000
Amortisation	
At 1 January 2017	30,000
At 31 December 2017	30,000
Net book value	
At 31 December 2017	-
At 31 December 2016	-

Other intangible assets comprise of the rights, titles and interest held by the Company in the literary estate of the late John Innes Mackintosh Stewart. The assets were deemed fully impaired and an impairment charge writing the net book value of said assets to £nil was made during the year ended 31 December 2009.

6. Debtors

	2017 £	2016 £
Due after more than one year		
Deferred tax asset	2,876	3,378
	2,876	3,378

	2017 £	as restated 2016 £
Due within one year		
Amounts owed by group undertakings	10,166	7,503
Other debtors	-	1,147
Prepayments and accrued income	2,541	-
	12,707	8,650

6. Debtors (continued)

Amounts owed by group undertakings are unsecured, interest-free and repayable on demand with no fixed date of repayment.

7. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	104	31

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Other taxation and social security	7	-
Accruals and deferred income	2,393	2,076
	2,400	2,076

9. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	104	31

Financial assets measured at fair value through profit or loss comprise of cash balances held at bank and in hand.

The Company held no other financial instruments during the current and preceding financial reporting periods that would be considered reportable under Section 1A of Financial Reporting Standard 102 and paragraph 36 of Schedule 1 to the Companies Act 2006.

10. Deferred taxation

	2017 £
As at 1 January 2017	3,378
Charged to profit or loss	(502)
As at 31 December 2017	2,876

The deferred taxation asset carried forward is made up as follows:

	2017 £	2016 £
Tax losses carried forward	2,876	3,378
	2,876	3,378

The value of the net deferred tax asset likely to reverse in the following financial reporting period is not expected to be material.

11. Related party transactions

Fellow wholly-owned group undertakings

The Company has taken advantage of the exemption provided by paragraph 33.1A of Financial Reporting Standard 102 not to disclose transactions with wholly owned group undertakings. Outstanding aggregated balances with the Company's fellow wholly-owned group undertakings as at the reporting date are disclosed within notes 6 and 8 of these financial statements.

Other related parties

The Company was charged commissions of £970 (2016: £1,248) by Peters Fraser & Dunlop Limited, a connected company by virtue of common control, towards royalties and advances collected on behalf of the Company.

Royalties amounting to £2,541 (2016: £nil) were receivable by the Company from Agora Books Limited, a connected company by virtue of common control.

12. Controlling party

The immediate parent undertaking is Legacy Books Limited, a company incorporated in England, by virtue of a 100% shareholding in the issued share capital of the Company.

The parent undertaking of the smallest and largest group to consolidate the financial statements of Michael Innes Literary Management Limited is The Peters Fraser & Dunlop Group Limited, the ultimate parent undertaking of the Company. Copies of the consolidated financial statements for The Peters Fraser & Dunlop Group Limited can be obtained from the UK Companies House website: https://beta.companieshouse.gov.uk/.

The directors are of the opinion that there is no ultimate controlling party based on the nature of the shareholdings in the ultimate parent undertaking.

13. Auditors' information

The audit report for the Company in respect of the year ended 31 December 2017 was unqualified.

On behalf of Nyman Libson Paul, the audit report was signed on 16th August 2018 by Richard Paul in his capacity as senior statutory auditor.