

# Royalty Statement Notes

## PLEASE READ BEFORE CONTACTING US WITH ROYALTY QUERIES!

The Frequently Asked Questions section on this sheet usually answers most author queries

The Royalty Statement details the sales of your book made *for which payment has been received* by Troubador during the period given. There may well be additional sales that have been made *for which we have not yet received payment from retailers*. Any such sales will be detailed on the *next* statement when payment has been received.

The statement includes the following information:

### *Direct Sales*

Sales made direct to customers, via the telephone or through the Troubador web shop.

### *Distributor Sales*

Sales made through the books trade, via retailers, wholesalers, library suppliers etc. Like all publishers, Troubador has negotiated standard discounts to trade customers, shown in the *Discount (%)* column. The *% cover price received* column shows the percentage of the cover price received from the retailer for the sale. The net receipts is the *No. of Sales × Cover price × % cover price received*. Different rows give the sales made to retailers at varying percentages of discount.

### *Bookseller returns*

Books sold through the trade on a Sale or Return (SOR) basis (which is most books) may be returned up to 9 months after the initial sale for a credit, which is standard industry practice. Here we list the number of books that has been returned unsold, the % discount at which they were initially sold, and thus need to be credited at, and the total negative receipt. If no figures are recorded then there have been no returns during this quarter.

Sometimes returns can skew the overall figures and result in a negative royalty owing. In this case we simply wait for future sales to cancel out any negative royalty and place the account back in credit.

### *Financial Summary*

1. *Total receipts this period* = the sum of all receipts from direct and distributor sales, minus any returns debits.
2. *Matador sales commission* = 15% × cover price × number of sales made during the period. This is our commission for handling the invoicing, carriage costs and despatch on orders of your book.
3. *Refunded Commission*: if any returns have been made, we refund to you the commission that we took on those recorded sales on earlier statements.
4. *Other expenses* (and the related *Notes* box): The cost of any additional expenses that your account has incurred are given in total here and will be detailed in the *Notes* box or on an accompanying sheet. This may include the costs of bulk storage, bulk delivery to you, marketing mailing, or the cost of any other activity that you have asked us to undertake for you.  
If the expenses incurred exceed the amount received in royalties, the *Total owing to author* may be a negative value. For example, if there have been storage charges but no sales then there will be a deficit. If there is a negative value up to -£100.00 we shall carry this amount over to the next quarter in the hope that future sales will put the account back in credit. If the figure is more than £100.00 in deficit, we may send an invoice. This may occur when bulk storage charges mount up, or if there are large returns of unsold stock from retailers (see *Bookseller returns* above). If the deficit amount is under £100 but it does not reduce within 6 months then we may also raise an invoice for the amount outstanding.
5. *Total owing to author*: This is the total amount of royalty owing to you as author after any refunds, deductions or expenses. A cheque for this amount should accompany the statement.
6. *Previous sales*: The number of sales of this title already made and recorded on previous statements.
7. *Total sales to date*: The sum of previous sales and those made on this statement.
8. *Royalties earned to date*: This is the sum of *all royalties earned* from sales by you to date. With each new quarterly statement this figure accumulates, showing the total amount of royalties the book has earned you in sales. Note that if you have incurred any expenses which have been deducted from your royalties on this or previous statements, these expenses are also included in your *Royalties already earned* figure, as they are royalties earned on sales but then spent. ***This figure does not thus necessarily represent the total amount of royalty payments we have sent you previously.***
9. *Author copies supplied*: the total number of copies of your book that we have sent you, whether on publication or since.
10. *Remaining stock*: the total number of books that we have left in stock. The books may be stored at one of our warehouses in Leicester or at our distributor in Poole (or at a combination).

## FREQUENTLY ASKED QUESTIONS

**1. What is listed on the quarterly statement is different to what I have seen on the online sales system. Why is that?**

There are several reasons why the information shown on our online system differs from that shown on the latest quarterly statement:

- a) The online system may show sales for which payment has not yet been received; the quarterly statement shows only sales for which we have received payment.
- b) The online system is a cumulative summary of sales and returns activity that changes dynamically; the quarterly statement is a definitive picture of sales, returns and expenses incurred during a fixed three month period.
- c) The quarterly statement is prepared as soon as the sales, returns and expenses for the last month of the quarter have been added to the database, and these changes will affect the total numbers sold and amounts received.

**2. How do I know which retailers have sold my book and at what discounts?**

We list sales made by the discounts given to the retail customer. With over 18,000 bookshops in the UK, it is not possible to individually list which retailer has sold which book. As a guide, sales @60% are Amazon.co.uk direct sales (only Amazon get this discount level); sales @55% are the main UK wholesalers and library suppliers, who then sell on to retailers. Sales given on the statement at other discount levels under 50% are usually direct retailer orders, or author special offer sales through our webshop. The latter will be noted in the Notes box on the statement. Sales made by the wholesalers and library suppliers to retailers are not notified to us, we are not party to who the wholesalers' customers are, so we usually do not know which retailers have bought which books to sell from wholesalers.

**3. How do I know what sales have been made overseas on a print on demand basis?**

Sales made using the Print On Demand service to fulfil overseas sales are listed separately on the statement. The percentage discount such sales are made at (which takes into account the unit print cost of that POD sale) is given in the Notes box on the statement. We do not know which retailers have sold a book overseas, we only know that a sale has been made to an overseas customer in this way.

**4. The Troubador sales commission is more than 15% of the receipts. Why is this?**

We take 15% of the cover price on copies of a book that we sell, *not* 15% of the net receipts. Our sales commission is thus calculated as [(No. copies sold, excluding gratis copies) x (Cover price) x 15%]. Our commission is *not* (Net receipts) x 15%. Our commission is given on our Initial Quotation and Contract.

**5. Why are there copies sold at 100% discount?**

There are usually only two reasons for copies being given away free: a) British Library legal deposit copies (6); b) Copies sent to reviewers. Legal deposit copies are a legal requirement and must be sent to the British Library legal deposit office. Review copies are only sent to reviewers that have been agreed in advance by you with the marketing department. The Notes section on the statement will list the number of review copies that have been sent, but if you require a list of review copy recipients, please contact your marketing controller.

**6. Why have deductions been made for 'Expenses'?**

All expenses deductions are listed in the Notes section on the royalty statement. Deductions are usually for things like the cost of carriage to send copies to or on behalf of the author, or for sending additional review copies requested by reviewers that fall outside the pre-agreed reviewers list.

**7. Why has a deduction been made for storing books?**

We make a charge for storing over 300 copies of a title, on a sliding scale. This cost and the sliding scale is given on your Initial and Final Quotations. The storage charges apply monthly during any period in which we or our distributor hold over a certain number of copies in total on that sliding scale. If you wish to reduce or avoid storage charges, then you can reduce the stock we hold at any time.

**8. Can I use my royalties to pay my Troubador invoice?**

No. Our Royalty and Accounts systems are necessarily separate, and for tax reasons we are not allowed to mix payments from the two systems. Invoices should be paid in full when they fall due. Royalties will not be paid if there is an overdue invoice on our Accounts system for services supplied.

**NOTE THAT EBOOK SALES DATA IS SUPPLIED TO AUTHORS ON A SEPARATE QUARTERLY STATEMENT APPROXIMATELY ONE MONTH AFTER BOOK SALES STATEMENTS ARE DESPATCHED.**