



Pearson

A guide to your new royalty statement

Pearson has recently introduced a new royalty accounting system to help us manage royalty processing more efficiently.

As a part of the new system, your statement has a new look. This guide has been created to help you understand the information as it is displayed in your new statement.



New statement design

ROYALTY STATEMENT SUMMARY

A Proprietor		C Six Month Period Ending		J Net Payment Due	
B Payee		Frequency		K Balance Carry Forward	
Due Date		Currency			
JOHN BARNES (000000)		30-JUN-2019			
DIANA EAST (111111)		SEMI ANNUAL			
		30-SEP-2019			
		USD			

D Title ISBN / Edition / Copyright Year	E Balance Brought Forward	F Advances/ Development Fees Current Period	G Earnings On Net Sales	H Earnings On Net Sub Rights	I Credits/ Deductions	J Cross Allocations	K Other Payments	L Total Net Payment Due	M Balance Forward To Next Statement
HOW TO READ YOUR ROYALTY STATEMENT / 123456789101 / 1 / 2019			1,160.42	236.42					
THIS IS THE NAME OF A PRODUCT/ WORK 123456789102 / 2 / 2019			836.63	0.00	(400.00)				
Group Subtotal	(6,576.75)	0.00	1,997.05	236.42	(400.00)	0.00	0.00	0.00	(4,743.28)
Total USD	(6,576.75)	0.00	1,997.05	236.42	(400.00)	0.00	0.00	0.00	(4,743.28)

- A. Proprietor*** : Mostly the named author of the work, but always the party that owns the work, grants rights to the publisher, and undertakes the contractual obligations.
- B. Payee*** : Previously known as the recipient, the payee is the proprietor or the person(s) designated by the proprietor to receive royalty payments for the sales of the proprietor's work.
- C. Royalty reporting period:** Shows the timeframe for which the royalty statement has been prepared, including the frequency, end date and due date for rendering accounting.
- D. Title information and ISBN/Product ID:** Specific book titles and their associated ISBN / Product ID reference showing activity for the reporting period.
- E. Balance brought forward:** Shows the opening balance carried forward into the current statement period from the prior period (if any). For example, if the initial advance was \$1,000 and earnings in the prior period totaled \$500, the balance brought forward would be \$500.
- F. Earnings on net sales:** Royalties earned on Net Sales of the product.
- G. Earnings on net sub rights:** Payee's share of earnings received from subsidiary rights licenses.
- H. Credits / deductions:** Other credits due for payee's share of permissions acquired, or deductions made in accordance with contractual terms.
- I. Cross allocations:** Where royalties are jointly accounted within or across contracts, the statement may reflect deductions from other royalty earnings.
- J. Total payment due:** Net payment amount to be issued to the payee.
- K. Balance carry forward:** Shows the closing balance to be carried forward into the next statement period (if any).

New statement design (continued)

ROYALTY STATEMENT DETAIL

 Pearson		STATEMENT DETAIL			
Proprietor	JOHN BARNES (000000)	Six Month Period Ending	30-JUN-2019		
Payee	DIANA EAST (111111)	Frequency	SEMI ANNUAL		
Deal Number	1234	Due Date	30-SEP-2019		
		Currency	USD		

Title	ISBN	Edition No. / Copyright Year / Publication Date	L Format	M Rights Type	Language
HOW TO READ YOUR ROYALTY STATEMENT	123456789101	1 / 2019 / 1-JAN-19	Print/Analog Formats	Core/Original Language	English

N Royalty Earnings Rule	O Gross Units	O Return Units	Net Units	P Weighted Avg Price	Q Price Currency	Net Revenue	Calculation Method	Royalty Rate	Proprietor Share	Payee Share	Payee Amount
Regular Sales	365	(116)	249	10.24	USD		Published Price	10.0000%	100.0000%	100.0000%	255.10
	0	(5)	(5)	10.50							
	365	(111)	254	10.25							
Weighted Average Price is calculated by multiplying the list price at the time of the sale by the number of sales. This number is then divided by the total number of sales to give a weighted average list price for the royalty period. Details of the sales per list price are given directly below the royalty calculation line.											
Regular High Discount Sales	90	0	90			8,200.00	Net Sales	10.0000%	100.0000%	100.0000%	820.00
Export Sales	92	(56)	36			492.00	Net Sales	7.5000%	100.0000%	100.0000%	36.90
Direct to Consumer	169	(12)	157			645.60	Net Sales	7.5000%	100.0000%	100.0000%	48.42
Royalty Earnings Total	716	(184)	532								
Prior Period Reserve Released											100.00
Current Period Reserved											(100.00)
Earnings Total											1,160.42

L. Format: Product format that may indicate a different contractual royalty rate; e.g. Print or Digital.

M. Rights Type: Version of work that may be used to define a royalty payment rule. Examples include Core or Supplemental Work; and whether the product is Original Language, Adaptation, Translation, or Custom version of the work.

N. Royalty Earnings Rule: Contractual rule on which the royalty calculation is based.

O. Units Sold / Returned: A breakdown of the number of units sold and returned by source. (A default value of 1 may appear when units are not applicable.)

P. Weighted Avg Price: Average locally published price per copy.

Q. Price Currency: The locally published price currency.

New statement design (continued)

ROYALTY STATEMENT DETAIL

 Pearson		STATEMENT DETAIL			
Proprietor	JOHN BARNES (000000)	Six Month Period Ending	30-JUN-2019		
Payee	DIANA EAST (111111)	Frequency	SEMI ANNUAL		
Deal Number	1234	Due Date	30-SEP-2019		
		Currency	USD		

Title	ISBN	Edition No. / Copyright Year / Publication Date	Format	Rights Type	Language
HOW TO READ YOUR ROYALTY STATEMENT	123456789101	1 / 2019 / 1-JAN-19	Print/Analog Formats	Core/Original Language	English

Royalty Earnings Rule	Gross Units	Return Units	Net Units	Weighted Avg Price	Price Currency	R	S	T	U	Payee Amount	
						Net Revenue	Calculation Method Published Price	Royalty Rate	Proprietor Share		Payee Share
Regular Sales	365	(116)	249	10.24	USD			10.0000%	100.0000%	100.0000%	255.10
	0	(5)	(5)	10.50							
	365	(111)	254	10.25							
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Royalty Earnings Total	716	(184)	532								
V Prior Period Reserve Released											100.00
Current Period Reserved											(100.00)
Earnings Total											1,160.42

R. Net Revenue: Conversion into USD (or other currency) depending on the country.

S. Calculation Method: The calculation method used. This tells you whether it's based on net sales revenue or published price multiplied by number of copies, etc.

T. Royalty Rate: The percentage royalty applicable.

U. Proprietor / Payee Share %: The share due to the proprietor / the payee share due to the payee.

V. Reserve for Returns: Contractual allowable units or dollars held by publisher for potential returns. This may include prior period reserves that are released, as well as current period reserves held.

New statement design (continued)

ROYALTY STATEMENT DETAIL



Pearson

STATEMENT DETAIL

Proprietor JOHN BARNES (000000)
Payee DIANA EAST (111111)
Deal Number 1234

Six Month Period Ending 30-JUN-2019
Frequency SEMI ANNUAL
Due Date 30-SEP-2019
Currency USD

Title	ISBN	Edition No. / Copyright Year / Publication Date	Format	Rights Type	Language
HOW TO READ YOUR ROYALTY STATEMENT	123456789101	1 / 2019 / 1-JAN-19	Print/Analog Formats	Core/Original Language	English

W	X	Y	Z		AA	BB	CC	DD		
Sub Rights Earnings Rule	Licensee/ Country	Language	Gross Revenue	Deductions	Revenue for calculation	Calculation Method	Rights Share	Proprietor Share	Payee Share	Payee Amount
All Rights	PUBLISHING HSE Canada	French	472.83	0.00	472.83	Net Sales	50.0000%	100.0000%	100.0000%	236.42
			472.83	0.00						
EE	Subsidiary Rights Earnings Total									236.42
FF	Earnings Total									1,396.84

W. Sub Rights Earnings Rule: Contractual rule on which the subsidiary right earnings calculation is based.

X. Licensee / Country: Indicates the affiliate / 3rd party publisher that licensed the work, and the country in which the licensee is based.

Y. Language: Indicates the language of the work being sold by the licensee.

Z. Gross Revenue: The total earnings received from subsidiary rights license for the work.

AA.Revenue for Calculation: Represents the gross revenue minus applicable deductions. The royalty percentage is applied to calculate the total rights share for the revenue.

BB.Calculation Method: The calculation method used. This tells you whether the subsidiary rights calculation is based on net sales revenue or published price multiplied by number of copies, etc.

CC.Rights Share: The percentage of the revenue for calculation which is royalty applicable. The rights share indicates the contractual share of the revenue (from the publisher/total proprietor split).

DD.Proprietor Share % / Payee Share %: The share due to the proprietor listed on the statement / the payee share due to the statement payee.

EE. Subsidiary Rights Earnings Total: The amount calculated for the statement payee based on the revenue for calculation and (rights share % x proprietor share % x payee share %) applied.

FF. Earnings Total: This is a sum of the royalty earnings calculated for the product (page 5) and the subsidiary rights earnings calculated (page 6) on the same product.

New statement design (continued)

ROYALTY STATEMENT DETAIL



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STATEMENT DETAIL

Proprietor JOHN BARNES (000000)
Payee DIANA EAST (111111)
Deal Number 1234

Six Month Period Ending 30-JUN-2019
Frequency SEMI ANNUAL
Due Date 30-SEP-2019
Currency USD

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AVAILABLE HISTORY FOR THIS ISBN / EDITION (Includes Current Period)

Description	Net Units	Your Royalty
Regular	339	1,075.10
Export	36	36.90
Other	157	48.42
Subrights	0	236.42
Total Earnings for the ISBN 123456789101	532	1,396.84

GG. Available history for this ISBN / Edition: Total Earnings per ISBN are summarized, showing available life to date earnings activity grouped by the various royalty earnings rules.

ALWAYS LEARNING