

Registered number  
02268007

Entertainment Retailers Association  
Company Limited By Guarantee

Report and Accounts

Year Ended 31 March 2017

THURSDAY



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**Entertainment Retailers Association  
Company Limited By Guarantee  
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**Entertainment Retailers Association  
Company Limited By Guarantee  
Company Information**

**Directors**

Mrs K Bayley  
R Osorio  
P Quirk  
K P Brown  
M Bhatia  
A Hill  
A Jordan  
G Lambdon  
M D Newman  
Mrs N Youngs  
P D O'Sullivan  
P J Barton  
M Green  
J N R Morton  
P Selby  
A Gillison  
A Green  
P J Moore

**Secretary**

Mrs K Bayley

**Accountants**

FD Works Limited  
8B Greenway Farm  
Bath Road  
Wick  
Bristol  
BS30 5RL

**Independent Auditors**

Nexia Smith & Williamson  
Portwall Place  
Portwall Lane  
Bristol  
BS1 6NA

**Bankers**

Coutts & Co  
440 The Strand  
London  
WC2R 0QS

**Solicitors**

Clifford Chance  
10 Upper Bank Street  
London  
E14 5JJ

**Entertainment Retailers Association  
Company Limited By Guarantee  
Registered number: 02268007  
Directors' Report**

The directors present their report and financial statements for the year ended 31 March 2017.

**Principal activity**

The company's principal activity during the year continued to be that of providing a forum for all members of the retail entertainment industry.

**Directors**

The following persons served as directors during the year:

Mrs K Bayley	Chief Executive Officer	
R Osorio	Co-Chairman	
P Quirk	Co-Chairman	
K P Brown	Co-Chairman	Appointed 4th May 2016
M Bhatia		
A Hill		
A Jordan		
G Lambdon		
M D Newman		
Mrs N Youngs		
P D O'Sullivan	Appointed 16th January 2017	
P J Barton	Appointed 4th May 2016	
M Green	Appointed 17th August 2016	
J N R Morton	Appointed 14th September 2016	
P Selby	Appointed 14th September 2016	
A Gillison	Appointed 14th September 2016	
A Green	Appointed 14th September 2016	
P J Moore	Appointed 22nd February 2017	

The following directors also served during the year

S Kapoor	Resigned 23rd May 2016
M Mulligan	Resigned 1st August 2016
G Elwood	Resigned 14th September 2016
R Morrison	Resigned 14th September 2016
C O'Reilly	Resigned 14th September 2016
C Knight	Resigned 16th January 2017
C Harris	Resigned 22nd February 2017
E C McIntyre	Appointed 17th February 2017 and resigned 13 April 2017

**Directors' responsibilities**

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

**Entertainment Retailers Association**  
**Company Limited By Guarantee**  
**Registered number: 02268007**  
**Directors' Report**

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts 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 enable them to ensure that the accounts 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.

**Disclosure of information to the auditors**

Each person who was a director at the time this report was approved confirms that:

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

**Small company provisions**

The above report has been prepared taking advantage of the small companies exemption of section 415A of the Companies Act 2006.

This report was approved by the board on 4 September 2017 and signed on its behalf.



Mrs K Bayley  
Director & Chief Executive Officer

**Entertainment Retailers Association  
Independent auditors' report  
to the members of Entertainment Retailers Association**

We have audited the financial statements of Entertainment Retailers Association for the year ended 31 March 2017 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

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 auditors' 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.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

**Scope of the audit of the accounts**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate)

**Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- have been prepared in accordance with the requirements of the Companies Act 2006.

**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 Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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 Directors' Report.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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; or

**Entertainment Retailers Association  
Independent auditors' report  
to the members of Entertainment Retailers Association**

**Matters on which we are required to report by exception (continued)**

- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

*Nexia Smith and Williamson*

Fiona Westwood  
(Senior Statutory Auditor)  
for and on behalf of  
Nexia Smith & Williamson  
Accountants and Statutory Auditors  
21 September 2017

Portwall Place  
Portwall Lane  
Bristol  
BS1 6NA

**Entertainment Retailers Association  
Company Limited By Guarantee  
Profit and Loss Account  
for the year ended 31 March 2017**

	<b>2017 £</b>	<b>2016 £</b>
<b>Turnover</b>	1,870,487	1,850,118
Administrative expenses	(1,752,667)	(1,727,927)
Other operating income	34,582	718
<b>Operating profit</b>	<u>152,402</u>	<u>122,909</u>
Interest receivable	14,468	11,827
<b>Profit on ordinary activities before taxation</b>	<u>166,870</u>	<u>134,736</u>
Tax on profit on ordinary activities	(33,904)	(27,645)
<b>Profit for the financial year</b>	<u>132,966</u>	<u>107,091</u>

The notes on pages 12 to 15 form part of these financial statements



**Entertainment Retailers Association  
Company Limited By Guarantee  
Registered number: 02268007  
Balance Sheet  
as at 31 March 2017**

	Notes	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	4	273	1,102
Investments	5	50	50
		<u>323</u>	<u>1,152</u>
<b>Current assets</b>			
Debtors	6	773,912	759,391
Cash at bank and in hand		<u>1,792,279</u>	<u>2,235,344</u>
		2,566,191	2,994,735
<b>Creditors: amounts falling due within one year</b>	7	(2,011,865)	(2,574,204)
<b>Net current assets</b>		<u>554,326</u>	<u>420,531</u>
<b>Net assets</b>		<u>554,649</u>	<u>421,683</u>
<b>Capital and reserves</b>			
Profit and loss account		554,649	421,683
<b>Members' funds</b>		<u>554,649</u>	<u>421,683</u>

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 Financial Reporting Standard 102 Section 1A for small entities.



Mrs K Bayley  
Director & Chief Executive Officer  
Approved by the board on 4 September 2017

The notes on pages 12 to 15 form part of these financial statements

**Entertainment Retailers Association  
Company Limited By Guarantee  
Statement of Changes in Equity  
for the year ended 31 March 2017**

	<b>Profit and loss account £</b>	<b>Total £</b>
<b>At 1 April 2015</b>	314,592	314,592
Profit for the financial year	107,091	107,091
<b>At 31 March 2016</b>	<u>421,683</u>	<u>421,683</u>
<b>At 1 April 2016</b>	421,683	421,683
Profit for the financial year	132,966	132,966
<b>At 31 March 2017</b>	<u>554,649</u>	<u>554,649</u>

The notes on pages 12 to 15 form part of these financial statements

**Entertainment Retailers Association  
Company Limited By Guarantee  
Notes to the Accounts  
for the year ended 31 March 2017**

**1 Accounting policies**

***Basis of preparation***

Entertainment Retailers Association is a company limited by guarantee, incorporated in England & Wales. The address of the registered office is 3rd Floor, Soho Square, London W1D 3HD.

The financial statements have been prepared in accordance with the provisions of the Financial Reporting Standard 102 Section 1A for small entities. There were no material departures from that standard.

The financial statements for the year ended 31 March 2017 are the first financial statements that comply with FRS 102 Section 1A for small entities. The date of transition is 1 April 2015. The transition has resulted in no changes in accounting policies to those used previously.

***Turnover***

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer.

- Subscriptions
- Management fees
- Events
- Research services
- Supply of sales data

***Tangible fixed assets***

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant & equipment	straight line over 3 - 5 years
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***Investments***

Investments in subsidiaries, associates and joint ventures are measured at cost less any accumulated impairment losses.

***Debtors***

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

***Creditors***

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

**Entertainment Retailers Association  
Company Limited By Guarantee  
Notes to the Accounts  
for the year ended 31 March 2017**

***Taxation***

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

***Provisions***

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

***Pensions***

Contributions to defined contribution plans are expensed in the period to which they relate.

<b>2 Operating profit</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Depreciation of owned fixed assets	829	1,316
Directors' remuneration	123,022	116,000
Directors' pension	12,302	11,600
Staff pension costs	5,613	2,924
Auditors' remuneration	7,000	7,000
Number of directors to whom benefits accrued under money purchase pension schemes	1	1
	<hr/>	<hr/>
<b>3 Employees</b>	<b>2017</b>	<b>2016</b>
	<b>Number</b>	<b>Number</b>
Average number of persons employed by the company	7	7
	<hr/>	<hr/>

**Entertainment Retailers Association  
Company Limited By Guarantee  
Notes to the Accounts  
for the year ended 31 March 2017**

**4 Tangible fixed assets**

	<b>Plant &amp; equipment £</b>
<b>Cost</b>	
At 1 April 2016	9,723
At 31 March 2017	<u>9,723</u>
<b>Depreciation</b>	
At 1 April 2016	8,621
Charge for the year	829
At 31 March 2017	<u>9,450</u>
<b>Net book value</b>	
At 31 March 2017	<u>273</u>
At 31 March 2016	<u>1,102</u>

**5 Investments**

	<b>Investments in subsidiary undertakings £</b>
<b>Cost</b>	
At 1 April 2016	50
At 31 March 2017	<u>50</u>

**6 Debtors**

	<b>2017 £</b>	<b>2016 £</b>
Trade debtors	1,520	6,295
Recoverable VAT	70,033	59,033
Prepayments and accrued income	52,359	44,063
Other debtors	650,000	650,000
	<u>773,912</u>	<u>759,391</u>

**Entertainment Retailers Association  
Company Limited By Guarantee  
Notes to the Accounts  
for the year ended 31 March 2017**

<b>7 Creditors: amounts falling due within one year</b>	<b>2017 £</b>	<b>2016 £</b>
Trade creditors	46,393	52,276
Accruals and deferred income	520	520
Corporation tax	33,904	27,645
Other taxes and social security costs	9,987	6,225
Other creditors	1,921,061	2,487,538
	<u>2,011,865</u>	<u>2,574,204</u>

<b>8 Other financial commitments</b>	<b>2017 £</b>	<b>2016 £</b>
Total future minimum payments under non-cancellable operating leases	<u>63,085</u>	<u>65,867</u>

The above lease is ongoing on an annual basis, renewable in April each year and a full years commitment has been stated.

**9 Related party transactions**

**The Official UK Charts Company Limited**

During the year the company charged The Official UK Charts Company Limited £804,687 (2016: £788,200) for the supply of information and £650,000 (2016: £650,000) for management fees. Management fees of £650,000 were unpaid at the balance sheet date.

The Official UK Charts Company charged the company £319,521 (2016: £279,967) for online access.

The company owns 100% class "B" shares in the company above.

**10 Controlling party**

The company is controlled by its directors.

**11 Other information**

Entertainment Retailers Association is a company limited by guarantee, having no share capital. Each member undertakes to contribute such amount as maybe required (not exceeding £10) to the assets of the Association if it should be wound up while he/she is a member, or within one year of ceasing to be a member.

The registered office is:  
3rd Floor  
3 Soho Square  
London  
W1D 3HD

**Entertainment Retailers Association  
Company Limited By Guarantee**

**Management Profit and Loss Account - Summary  
for the year ended 31 March 2017**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Profit on ordinary activities before taxation</b>		
ERA	53,496	50,904
Members	113,374	83,832
	<hr/> 166,870	<hr/> 134,736
<b>Taxation</b>	(33,904)	(27,645)
<b>Profit for the financial year</b>	<hr/> 132,966	<hr/> 107,091
<b>Retained profit brought forward</b>	421,683	314,592
<b>Retained profit carried forward</b>	<hr/> 554,649	<hr/> 421,683

The notes on pages 16 to 20 do not form part of these financial statements

**Entertainment Retailers Association  
Company Limited By Guarantee**

**Management Profit and Loss Account - ERA Account  
for the year ended 31 March 2017**

	<b>2017</b>		<b>2016</b>	
	£	£	£	£
<b>Income</b>				
Subscriptions (including sales discounts)		202,862		182,533
Transfer from members' client account		620,000		610,000
Management fees		3,500		3,500
Members' Research Income		43,000		46,600
Golf day events income		4,314		13,720
Record store day income		13,800		15,225
		<u>887,476</u>		<u>871,578</u>
<b>Expenses</b>				
Salaries and wages	306,903		221,524	
Establishment expenses	83,555		39,209	
Travel and entertaining	45,689		45,794	
Administrative expenses	299,168		312,545	
Anti-Piracy contribution	143,000		208,000	
Financial expenses	2,948		2,541	
Depreciation and sale of fixed assets	<u>829</u>		<u>1,316</u>	
		882,092		830,929
<b>Operating profit</b>				
Other operating income		<u>34,582</u>		<u>718</u>
		39,966		41,367
<b>Interest receivable</b>				
Bank deposit interest		13,530		9,537
<b>Profit before tax</b>		<u>53,496</u>		<u>50,904</u>

The notes on pages 16 to 20 do not form part of these financial statements



**Entertainment Retailers Association  
Company Limited By Guarantee**

**Administrative Expenses  
for the year ended 31 March 2017**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Salaries and wages</b>		
Wages and salaries	139,683	72,253
Directors' remuneration	123,022	116,000
Directors pensions	12,302	11,600
Staff pensions	5,613	2,924
Employer's NI	26,283	18,747
	<u>306,903</u>	<u>221,524</u>
<b>Establishment expenses</b>		
Rent	83,555	39,209
	<u>83,555</u>	<u>39,209</u>
<b>Travel and entertaining</b>		
Travel and meetings	43,867	44,247
Entertaining	1,822	1,547
	<u>45,689</u>	<u>45,794</u>

The notes on pages 16 to 20 do not form part of these financial statements

**Entertainment Retailers Association  
Company Limited By Guarantee**

**Administrative Expenses  
for the year ended 31 March 2017**

	2017 £	2016 £
<b>Administrative expenses</b>		
Staff training and recruitment	1,441	10,299
Telephone and fax	2,139	2,242
Equipment expensed	2,769	3,309
Printing, postage and stationery	7,081	7,455
Internet and computer expenses	3,403	7,916
Subscriptions	9,947	9,756
Insurance	4,653	3,284
Charities and donations	3,720	4,550
Yearbook	6,993	3,978
Repairs and maintenance	639	89
Golf day	9,941	10,105
Record Stores Day	12,718	17,046
Sundry expenses	4,299	2,052
Audit fees	7,000	7,000
Accountancy fees	14,111	12,260
Legal and professional	1,852	3,000
Public relations	32,400	49,050
Consultancy	7,808	10,715
Awards and events	25,488	19,081
Research expenses	140,766	129,359
	<u>299,168</u>	<u>312,545</u>
<b>Financial expenses</b>		
Bank charges	2,948	2,541
	<u>2,948</u>	<u>2,541</u>
<b>Depreciation and sale of fixed assets</b>		
Depreciation	<u>829</u>	<u>1,316</u>

The notes on pages 16 to 20 do not form part of these financial statements

**Entertainment Retailers Association  
Company Limited By Guarantee**

**Management Profit and Loss Account - Members Client Account  
for the year ended 31 March 2017**

		2017		2016
	£	£	£	£
<b>Income</b>				
Supply of sales information and chart data		953,010		938,540
Management fees		650,000		650,000
Public performance of recording fees	26,209		24,864	
Public performance of recording costs	(26,209)		(24,864)	
Bank deposit interest		938		2,290
		<u>1,603,948</u>		<u>1,590,830</u>
<b>Expenses</b>				
Distributed to members	1,124,765		878,794	
Realisation of surplus funds	(573,712)		(261,765)	
Transfer to ERA office account	620,000		610,000	
Online Access Costs	319,521		279,969	
		<u>1,490,574</u>		<u>1,506,998</u>
<b>Profit before tax</b>		<u>113,374</u>		<u>83,832</u>

The notes on pages 16 to 20 do not form part of these financial statements