

The Publishers Association Limited

REPORT AND FINANCIAL STATEMENTS

31 December 2010

WEDNESDAY



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COMPANIES HOUSE

Registered Number 3282879

The Publishers Association Limited

DIRECTORS' REPORT

31 December 2010

The directors have pleasure in presenting their annual report and the audited financial statements for the year ended 31 December 2010

STATUS

The company is limited by guarantee and does not have a share capital. In the event of the company being wound up, each member undertakes to contribute to the assets of the company such amounts as may be required but not exceeding £100.

PRINCIPAL ACTIVITIES

The company is engaged primarily in representing and promoting by all lawful means the interests of book, journal and electronic publishers, and in protecting those interests. A full description of the year's activities is contained in the Council Report sent to members with these financial statements.

RESULT FOR THE YEAR

The result for the year is shown in the income and expenditure account on page 4.

DIRECTORS

The directors at the date of this report are as follows:

V Barnsley OBE	(President)	H Kogan
K R Bristow	(Vice President)	P W Lake
S J Allen	(Past President)	U A Mackenzie
J S Barr		S A Page
A R M Campbell		N D Portwood
C Emerson		N J W Robinson
P Field		A C Thomas
N D Fowler		
I M Hudson		

A C Thomas, N D Fowler, J S Barr, A R M Campbell, H Kogan and C Emerson were appointed on 28 April 2010.

E Engstrom, A J Ridout, T E Wright, P C K Roche, R D P Charkin served during the year until their resignation on 28 April 2010.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Publishers Association Limited

DIRECTORS' REPORT

31 December 2010

AUDITOR

The auditor, Baker Tilly UK Audit LLP, Statutory Auditor and Chartered Accountants, has indicated its willingness to continue in office

This report has been prepared in accordance with the provisions applicable to companies entitled to the small company exemptions

By order of the board



R J Mollet
Secretary

Registered office
2 Bloomsbury Street
London WC1B 3ST

24 March 2011

The Publishers Association Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PUBLISHERS ASSOCIATION LIMITED

We have audited the financial statements on pages 5 to 14. 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).

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.

Respective responsibilities of directors and auditor

As more fully explained 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on 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 December 2010 and of its surplus 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report

Baker Tilly UK Audit LLP

GREGORY CRAIG WALLER (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London EC4A 4AB

28 March 2011

The Publishers Association Limited

INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 December 2010

	<i>Note</i>	2010 £	2009 £
INCOME			
Subscriptions		1,571,858	1,523,886
Other income		1,233,464	1,132,366
		<u>2,805,322</u>	<u>2,656,252</u>
EXPENDITURE			
Administrative expenses		(2,661,642)	(2,589,621)
OPERATING SURPLUS	2	<u>143,680</u>	<u>66,631</u>
Bank and other interest receivable		642	1,604
Interest payable	3	(2,254)	(2,254)
Finance element of pensions cost	14	(22,000)	(34,000)
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>120,068</u>	<u>31,981</u>
Taxation	4	(33,318)	(20,359)
SURPLUS FOR THE FINANCIAL YEAR	11	<u>86,750</u>	<u>11,622</u>

All activities are continuing

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 December 2010

	2010 £	2009 £
Retained surplus for the financial year	86,750	11,622
Actual return on pension scheme assets less expected return	(152,000)	(4,000)
Experience gains/(losses) arising on scheme liabilities	858,000	(518,000)
Deferred tax effect of pension scheme actuarial (gain)/loss	(162,000)	113,000
Total recognised gains and losses relating to the year	<u>630,750</u>	<u>(397,378)</u>

The Publishers Association Limited

BALANCE SHEET

31 December 2010

Registered Number 3282879

	<i>Note</i>	£	2010 £	£	2009 £
FIXED ASSETS					
Tangible assets	6		18,911		25,094
CURRENT ASSETS					
Debtors	7	180,882		200,964	
Cash at bank and in hand		322,586		336,732	
		<u>503,468</u>		<u>537,696</u>	
CREDITORS amounts falling due within one year	8	(310,965)		(366,294)	
NET CURRENT ASSETS			192,503		171,402
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>211,414</u>		<u>196,496</u>
CREDITORS amounts falling due after more than one year	9		(2,942)		(6,774)
NET ASSETS EXCLUDING PENSION ASSET/(LIABILITY)			<u>208,472</u>		<u>189,722</u>
Pension asset/(liability)	14		10,000		(602,000)
NET ASSETS/(LIABILITIES)			<u>218,472</u>		<u>(412,278)</u>
RESERVES					
Income and expenditure account	11		<u>218,472</u>		<u>(412,278)</u>

Approved and authorised for issue by the directors on 24 March 2011



V Barnsley
President

The Publishers Association Limited

NOTES ON FINANCIAL STATEMENTS

31 December 2010

1 PRINCIPAL ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules and in accordance with applicable accounting standards

Going Concern

The financial statements have been prepared on a going concern basis. The directors have considered the operating surplus for the year and balance sheet at the accounting date and reviewed forecasts and are satisfied that the company is in a position to meet its liabilities as they fall due over the next twelve months

Cash flow statement

The company has taken advantage of the small company exemption from preparing a cash flow statement under the terms of FRS1

Income

Income represents subscriptions received plus the invoiced value of services provided, net of Value Added Tax

Tangible fixed assets

Fixed assets are included at cost. Depreciation is charged by annual instalments, commencing with the year of acquisition, to write off the asset cost over the estimated useful lives at the following rates

Computer equipment	20-33 $\frac{1}{3}$ % on cost
Fixtures and fittings	15% reducing balance

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the income and expenditure account

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

Leases

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term and their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease

Rentals paid under operating leases are charged to income as incurred

The Publishers Association Limited

NOTES ON FINANCIAL STATEMENTS

31 December 2010

1 PRINCIPAL ACCOUNTING POLICIES (continued)

Defined benefit pension scheme

The company operates a defined benefit pension scheme and has applied the provisions of Financial Reporting Standard 17, Retirement Benefits

The amount charged to the income and expenditure account in respect of pension costs and other post retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost and expected return on assets are included within other finance income

Actuarial gains and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in the Statement of Total Recognised Gains and Losses

The defined benefit scheme is funded with the assets held separately from the group in separate trustee administered funds. A full actuarial valuation, by a professionally qualified actuary, is obtained at least every three years and updated to reflect current conditions at each balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the balance sheet only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the balance sheet date. A pension scheme liability is recognised to the extent that the company has a legal or constructive obligation to settle the liability

2	OPERATING SURPLUS	2010	2009
		£	£
	This is stated after charging		
	Auditors' remuneration - statutory audit	14,500	14,500
	- taxation services	4,750	4,750
	- other services	6,000	35,850
	Depreciation - owned asset	1,928	5,524
	- leased assets	6,948	6,948
	Loss on disposal of tangible fixed assets	-	8,293
	Operating leases - land and building	105,000	105,000
	- other	3,595	2,909
		<u> </u>	<u> </u>
3	INTEREST PAYABLE	2010	2009
		£	£
	Finance leases	2,254	2,254
		<u> </u>	<u> </u>
4	TAXATION	2010	2009
		£	£
(a)	Tax charge for the year		
	United Kingdom corporation tax	12,632	9,732
	Adjustment in respect of prior years	-	6,210
		<u> </u>	<u> </u>
		12,632	15,942
	Deferred taxation		
	Origination and reversal of timing differences	2,686	3,417
	Pension scheme	18,000	1,000
		<u> </u>	<u> </u>
		33,318	20,359
		<u> </u>	<u> </u>

The Publishers Association Limited

NOTES ON FINANCIAL STATEMENTS

31 December 2010

4	TAXATION (continued)	2010 £	2009 £
(b)	The tax assessed for the year is lower than the standard rate of corporation tax for small companies in the United Kingdom of 21% (2009 21%) The differences are explained below		
	Surplus on ordinary activities before tax	120,068	31,981
	Surplus on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom	25,214	6,716
	Effects of		
	Expenses not deductible for tax purposes	6,385	2,885
	Capital allowances in excess of depreciation	(1,084)	(1,213)
	Other timing differences, principally pension contributions	(17,883)	1,344
	Adjustment in respect of prior years	-	6,210
	Current tax charge for year	12,632	15,942
5	STAFF COSTS	2010 £	2009 £
	Wages and salaries	632,476	653,626
	Social security costs	62,909	63,530
	Pension and other costs	99,665	89,373
		795,050	806,529
		Number	Number
	The average number of persons, excluding directors, employed during the period was	15	16

No director received any remuneration for their services during the year (2009 £nil)

The Publishers Association Limited

NOTES ON FINANCIAL STATEMENTS

31 December 2010

6	TANGIBLE FIXED ASSETS	Fixtures and fittings £	Computer equipment £	Total £
	Cost			
	1 January 2010	30,145	47,812	77,957
	Additions	186	2,507	2,693
	31 December 2010	<u>30,331</u>	<u>50,319</u>	<u>80,650</u>
	Depreciation			
	1 January 2010	23,905	28,958	52,863
	Charge for year	978	7,898	8,876
	31 December 2010	<u>24,883</u>	<u>36,856</u>	<u>61,739</u>
	Net book value			
	31 December 2010	<u>5,448</u>	<u>13,463</u>	<u>18,911</u>
	31 December 2009	<u>6,240</u>	<u>18,854</u>	<u>25,094</u>

Included in computer equipment are assets held under finance lease agreements at a cost of £23,896 (2009 £23,896), depreciation charge of £6,948 (2009 £6,948) and net book value of £3,052 (2009 £10,000)

7	DEBTORS	2010 £	2009 £
	Trade debtors	93,279	100,909
	Deferred tax asset (see note 10)	-	2,658
	Corporation tax recoverable	9,732	-
	Other debtors	5,217	15,175
	Prepayments and accrued income	72,654	82,222
		<u>180,882</u>	<u>200,964</u>

The deferred tax asset arises due to short term timing differences in respect of certain expense items

The Publishers Association Limited

NOTES ON FINANCIAL STATEMENTS

31 December 2010

8	CREDITORS amounts falling due within one year	2010 £	2009 £
	Trade creditors	79,874	100,506
	Finance leases	3,833	7,447
	Corporation tax	12,632	9,732
	Other taxation and social security	25,906	19,022
	Other creditors	11,606	3,847
	Accruals and deferred income	177,114	225,740
		<u>310,965</u>	<u>366,294</u>
9	CREDITORS Amounts falling due after more than one year	2010 £	2009 £
	Finance leases	2,942	6,774
	Gross amounts repayable by instalments falling due		
	In one year or less	5,325	9,700
	In more than one but not more than two years	3,136	5,325
	In more than two but not more than five years	1,568	4,704
		<u>10,029</u>	<u>19,729</u>
	Finance charges and interest allocated to future accounting periods	(3,254)	(5,508)
		<u>6,775</u>	<u>14,221</u>
	Included in liabilities due within one year	(3,833)	(7,447)
		<u>2,942</u>	<u>6,774</u>
10	DEFERRED TAX	2010 £	2009 £
	At beginning of year	2,658	6,075
	Income and expenditure account charge	(2,658)	(3,417)
	At end of year	<u>-</u>	<u>2,658</u>
	The asset for deferred taxation is stated at a tax rate of 21% (2009 22%)		
	In addition to the above, a deferred tax (liability)/asset, stated at a tax rate of 21% (2009 22%), has been offset against the pension asset/(liability) (see note 14) as follows		
		2010 £	2009 £
	At beginning of year	177,000	65,000
	Income and expenditure account charge	(18,000)	(1,000)
	Statement of total recognised gains and losses net charge/(credit)	(162,000)	113,000
	At end of year	<u>(3,000)</u>	<u>177,000</u>

The Publishers Association Limited

NOTES ON FINANCIAL STATEMENTS

31 December 2010

11	INCOME AND EXPENDITURE ACCOUNT	2010 £	2009 £
	At beginning of year (deficit)	(412,278)	(22,900)
	Surplus for the year	86,750	11,622
	Pension scheme actuarial net gain/(loss)	544,000	(401,000)
	At end of year	218,472	(412,278)
	Accumulated surplus excluding pension scheme	208,472	189,722
	Net pension asset/(liability) at end of year (note 14)	10,000	(602,000)
	Total	218,472	(412,278)

12 SHARE CAPITAL

The company is limited by guarantee and does not have a share capital. In the event of the company being wound up, each member undertakes to contribute to the assets of the company such amounts as may be required but not exceeding £100.

13 OPERATING LEASE COMMITMENTS

Commitments under non-cancellable operating leases will result in the following payments falling due within one year of the balance sheet date:

	2010 £	2009 £
Number of years from the balance sheet date in which leases expire		
Land and buildings		
Within one year	105,000	-
Between two and five years	-	105,000
Other		
Between two and five years	3,695	3,695
	108,695	108,695

14 PENSION SCHEME

Nature of scheme

The company participates in the Publishers Association Retirement Benefits Plan. The scheme is a contributory, insured, defined benefit scheme, the benefits of which are based on final pensionable pay. The scheme was closed to new employees in 2007.

Pension costs

Contributions to the Plan are assessed in accordance with the advice of a qualified actuary using the projected unit method. Contributions of £199,000 (2009: £90,000) were paid to the scheme in the year. Members' contributions are 7% of contributory pay and the employer contributes 25% of members' contributory pay. Included in the contribution for the year is the employer deficit funding contribution of £96,000 (2009: £Nil). In addition, premiums for life assurance and spouses' pension benefits are payable by the employer, as required by the insurer. The employer meets the majority of scheme expenses.

The Publishers Association Limited

NOTES ON FINANCIAL STATEMENTS

31 December 2010

14 PENSION SCHEME (continued)

Actuarial valuation

The latest full valuation of the Plan was carried out as at 1 January 2010

The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increases in salaries and pensions

	At 31 December 2010 %	At 31 December 2009 %	At 31 December 2008 %	At 31 December 2007 %
Rate of increase in salaries	4 00	4 75	3 90	4 40
Rate of increase in pre 1997 pensions in payment	3 40	3 75	3 00	3 00
Rate of increase of post 1997 pensions in payment	3 40	3 75	2 90	3 20
Rate of increase of deferred pensions	3 40	3 75	2 90	3 20
Discount rate	5 40	5 40	5 80	5 80
Inflation assumption - rpi	3 50	3 75	2 90	3 40
- cpi	3 00	N/A	N/A	N/A

The assets in the scheme and the expected rate of return were

	31 December 2010		31 December 2009		31 December 2008		31 December 2007	
	Long-term rate of return expected %	Value £'000	Long-term rate of return expected %	Value £'000	Long-term rate of return expected %	Value £'000	Long-term rate of return expected %	Value £'000
Equities	7 20	2,633	6 40	2,733	6 70	1,790	7 50	2,473
Bonds – Gilts	4 20	1,282	4 40	911	3 70	1,194	4 50	914
Bonds – Corporate and overseas	5 40	111	5 40	-	5 80	92	5 80	120
Cash	0 50	324	0 50	479	2 00	230	4 50	194
Annuity policies	5 40	714	5 40	671	5 80	1,285	5 80	1,260
Total market value of assets		5,064		4,794		4,591		4,961
Present value of scheme liabilities		(5,051)		(5,573)		(4,858)		(4,563)
Surplus/(deficit) in the scheme		13		(779)		(267)		398
Related deferred tax (liability)/asset		(3)		177		65		(82)
Net pension asset/(liability)		10		(602)		(202)		316

The Publishers Association Limited

NOTES ON FINANCIAL STATEMENTS

31 December 2010

14 PENSION SCHEME (continued)

Movement in scheme surplus/(deficit) over the year	2010 £'000	2009 £'000
Deficit at beginning of year	(779)	(267)
Current service cost	(68)	(54)
Employer contributions	176	90
Other finance income	(22)	(34)
Actuarial gain/(loss)	706	(514)
Surplus/(deficit) at end of year	13	(779)
Analysis of the amount charged to operating surplus	2010 £'000	2009 £'000
Current service cost	68	54
Past service cost	-	-
Total operating charges	68	54
Analysis of amount charged to other finance costs	2010 £'000	2009 £'000
Expected return on pension scheme assets	283	247
Interest on pension scheme liabilities	(305)	(281)
Net return	(22)	(34)
Analysis of amount recognised in Statement of Total Recognised Gains and Losses (STRGL)	2010 £'000	2009 £'000
Actual return less expected return on scheme assets	(152)	4
Experience gains/(losses) arising on scheme liabilities	593	(518)
Changes in assumptions underlying the present value of the scheme liabilities	265	-
Actuarial gain/(loss) recognised in STRGL	706	(514)

The Publishers Association Limited

NOTES ON FINANCIAL STATEMENTS

31 December 2010

14 PENSION SCHEME (continued)

History of experience gains and losses

	2010	2009	2008	2007	2006
Difference between the expected and actual return on scheme assets - amount (£'000)	(152)	4	(750)	617	(409)
Percentage of scheme assets (%)	(3.2%)	0.1%	(15.1%)	12%	(10%)
Experience gains and losses on scheme liabilities - amount (£'000)	(522)	197	67	(148)	471
Percentage of present value of the scheme liabilities (%)	(10.3%)	3.5%	1.4%	(3.2%)	11%
Total amount recognised in the statement of total recognised gains and losses					
Amount (£'000)	(544)	409	(637)	398	101
Percentage of present value of the scheme liabilities	(10.8%)	7.3%	(13.1%)	8.7%	2%

15 RELATED PARTY TRANSACTIONS

All the directors are also directors of companies which pay subscriptions to the Publishers Association Limited. These subscriptions are paid at the standard subscription rates for member companies.