
THE PUBLISHERS ASSOCIATION LIMITED

(A Company Limited by Guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

THE PUBLISHERS ASSOCIATION LIMITED

(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors

P A J Phillips (President)
C G M Redmayne (Past President)
A M Callanan (Vice President)
J S Barr
E J Bourne
R Bristow
J E Byng
K Farrar (appointed 7 May 2019)
D J Feltham (resigned 10 April 2019)
A C Franklin (appointed 24 April 2019, resigned 13 March 2020)
R A Kitson (appointed 15 May 2019)
J Mabey
M Maus
S A Page (resigned 10 April 2019)
C L Poplak
J M L Prior
A K Thadha
E J Tribe (resigned 10 April 2019)

Company secretary

S A Lotinga

Registered number

03282879

Registered office

50 Southwark Street
London
SE1 1UN

Independent auditors

Berg Kaprow Lewis LLP
Chartered Accountants & Statutory Auditor
35 Ballards Lane
London
N3 1XW

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)

CONTENTS

	Page
Directors' Report	1 - 2
Independent Auditors' Report	3 - 6
Statement of Comprehensive Income	7
Statement of Financial Position	8 - 9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 - 28

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

Principal activity

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

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Qualifying third party indemnity provisions

The Company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Directors

The directors who served during the year were:

P A J Phillips (President)
C G M Redmayne (Past President)
A M Callanan (Vice President)
J S Barr
E J Bourne
R Bristow
J E Byng
K Farrar (appointed 7 May 2019)
D J Feltham (resigned 10 April 2019)
A C Franklin (appointed 24 April 2019, resigned 13 March 2020)
R A Kitson (appointed 15 May 2019)
J Mabey
M Maus
S A Page (resigned 10 April 2019)
C L Poplak
J M L Prior
A K Thadha
E J Tribe (resigned 10 April 2019)

Auditors

Under section 487(2) of the Companies Act 2006, Berg Kaprow Lewis LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

.....
S A Lotinga
Secretary

Date: 2 April 2020

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PUBLISHERS ASSOCIATION LIMITED

Opinion

We have audited the financial statements of The Publishers Association Limited (the 'Company') for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PUBLISHERS ASSOCIATION LIMITED (CONTINUED)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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.

We have nothing to report in respect of the following matters in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PUBLISHERS ASSOCIATION LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PUBLISHERS ASSOCIATION LIMITED (CONTINUED)

Use of our report

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.

Myfanwy Neville FCA (Senior Statutory Auditor)
for and on behalf of

Berg Kaprow Lewis LLP

Chartered Accountants

Statutory Auditor

London

2 April 2020

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover		3,072,828	3,216,524
Cost of sales		(875,833)	(988,815)
Gross surplus		2,196,995	2,227,709
Administrative expenses		(2,235,988)	(2,259,601)
Other operating income		202,505	192,689
Fair value movements		7,668	(5,967)
Operating surplus		171,180	154,830
Bank and other interest receivable		2,992	1,699
Interest payable		(861)	(957)
Net interest on defined benefit scheme		25,000	19,000
Surplus on ordinary activities before taxation		198,311	174,572
Taxation charge	6	(30,280)	(36,678)
Surplus for the financial year		168,031	137,894
Costs of defined benefit scheme		(25,000)	(123,895)
Other comprehensive income for the year		(25,000)	(123,895)
Total comprehensive income for the year		143,031	13,999

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

The notes on pages 11 to 28 form part of these financial statements.

THE PUBLISHERS ASSOCIATION LIMITED

(A Company Limited by Guarantee)

REGISTERED NUMBER: 03282879

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	7	29,410	1,917
Tangible assets	8	119,347	92,561
		<u>148,757</u>	<u>94,478</u>
Current assets			
Debtors	10	1,601,068	1,624,357
Current asset investments	11	71,701	64,033
Bank and cash balances		956,347	451,951
		<u>2,629,116</u>	<u>2,140,341</u>
Creditors: amounts falling due within one year	12	(2,458,255)	(2,058,763)
Net current assets		<u>170,861</u>	<u>81,578</u>
Total assets less current liabilities		<u>319,618</u>	<u>176,056</u>
Creditors: amounts falling due after more than one year	13	(5,980)	(7,949)
Provisions for liabilities			
Deferred tax	15	(17,723)	(15,223)
		<u>(17,723)</u>	<u>(15,223)</u>
Net assets		<u>295,915</u>	<u>152,884</u>
Capital and reserves			
Profit and loss account		295,915	152,884
		<u>295,915</u>	<u>152,884</u>

THE PUBLISHERS ASSOCIATION LIMITED

(A Company Limited by Guarantee)

REGISTERED NUMBER: 03282879

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2019

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 were approved and authorised for issue by the board and were signed on its behalf on 2 April 2020.

.....
P A J Phillips (President)

Director

The notes on pages 11 to 28 form part of these financial statements.

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Profit and loss account £	Total equity £
At 1 January 2018	138,885	138,885
Comprehensive income for the year		
Profit for the year	137,894	137,894
	<hr/>	<hr/>
Costs of defined benefit scheme	(123,895)	(123,895)
	<hr/>	<hr/>
At 1 January 2019	152,884	152,884
Comprehensive income for the year		
Profit for the year	168,031	168,031
	<hr/>	<hr/>
Costs of defined benefit scheme	(25,000)	(25,000)
	<hr/>	<hr/>
Total comprehensive income for the year	143,031	143,031
	<hr/>	<hr/>
At 31 December 2019	<u>295,915</u>	<u>295,915</u>

The notes on pages 11 to 28 form part of these financial statements.

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

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

The Company is a private company limited by guarantee and is domiciled and incorporated in England and Wales.

The Registered Office address is 50 Southwark Street, London, England, SE1 1UN.

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 following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis. The directors have considered the surplus for the year, the Statement of Financial Position 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 for a period of at least twelve months from the date of signing these financial statements.

The directors have also considered the current economic climate and understand that the global Coronavirus pandemic will have a serious impact on the UK economy and all businesses. The Publishers Association's revenues over the next 12 months following the signing of these financial statements are largely stable and have already been received so large fluctuations are not expected. That said, the Company are planning how to respond to potential reductions in revenue from International Bookfairs business in light of event cancellations and other future fluctuations as and when they occur.

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.3 Revenue

Revenue from operations is derived from three sources:

- Annual membership subscriptions;
- Book fair income;
- Anti-piracy income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Subscription income is recognised over the period that the relevant service is provided.

Book fair income is recognised when the event to which the income relates takes place.

Anti-piracy subscription income is recognised over the period that the relevant service is provided.

Other anti-piracy income is recognised when the costs to complete the work are incurred.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 10-33.33%
Computer equipment	- 10-33.33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.6 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.7 Grants

Grants are accounted under the performance model as permitted by FRS 102.

Grants that do not impose specified performance-related conditions are recognised in income when the grant proceeds are received or receivable.

Grants that impose specified performance-related conditions are recognised in income only when the performance-related conditions are met.

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.9 Pensions

The Company operates both a defined contribution and a defined benefit pension scheme and accounts for these in accordance with FRS 102, Section 28 'Employee benefits'.

Defined contribution pension plan

The Company operates a defined contribution plan for its current employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

Defined benefit scheme

The Company operates a defined benefit scheme, which closed to future benefit accrual with effect from 31 July 2013. Scheme assets are measured at fair value. Scheme liabilities are measured actuarially using the projected unit credit method and are discounted to present value using yields on high quality corporate bonds. The net surplus or deficit is presented separately from other net assets on the balance sheet.

The defined benefit net asset or liability represents the present value of the defined benefit obligation less the fair value of plan assets out of which obligations are settled. A pension scheme asset is recognised 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 accounting date. A pension scheme liability is recognised to the extent that the Company has a legal or constructive obligation to settle the liability.

Gains or losses recognised as part of the surplus on ordinary activities in the Statement of Comprehensive Income:

- The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.
- Net interest on the net defined benefit asset or liability comprises the interest cost on the defined benefit obligation and interest income on the plan assets, calculated by multiplying the fair value of the plan assets at the beginning of the period by the rate used to discount the benefit obligation.

Gains or losses recognised in other comprehensive income:

- Actuarial gains and losses;
- Deferred tax arising on the net surplus or deficit
- Contributions to the scheme when the surplus is not recognised on the Statement of Financial Position following the accounting policy above.

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.10 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.

2.11 Valuation of investments

Investments in listed company shares are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.12 Cash and cash equivalents

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.

2.13 Financial instruments

The Company only enters into basic financial instruments and transactions that result in the recognition of financial assets and liabilities like debtors and creditors.

(i) Financial assets

Basic financial assets, including trade and other debtors are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Comprehensive Income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.13 Financial instruments (continued)

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors and accruals, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

3. Critical Accounting Estimates, Areas of Judgement and Assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Defined benefit pension scheme

The measurement of scheme obligations is subject to certain key assumptions, which are based on the judgement of the Scheme Actuary, and industry-standard estimation bases. These are listed in note 17.

In the prior year, the Scheme Actuary was aware that one of these industry-wide estimation bases (the guaranteed Minimum Pension (GMP) Equalisation) was in the process of being clarified following a recent High Court ruling. The Company's defined benefit pension scheme. No allowance was made for GMP equalisation in the defined benefit obligation.

Since then, the SFO actuarial valuation has been carried out on behalf of the Trustees. It was agreed to use an estimate of 3%, the upper limit of industry estimates. An allowance of 3% has implicitly been included in the defined benefit obligation as at 31 December 2019, meaning no provision is required.

A further assumption in the financial statements is that the pension scheme surplus at the accounting date is not deemed recoverable by reduced future deficit contributions and as a result the surplus asset associated with the scheme has not been recognised on the Statement of Financial Position on the grounds of future recoverability.

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

4. Auditors' remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £ (2018 -).

5. Employees

The average monthly number of employees, excluding directors, during the year was 14 (2018 - 14).

No director received any remuneration for their services during the year (2018: £Nil).

6. Taxation

	2019 £	2018 £
Corporation tax		
Tax charge for the year	28,140	33,335
Adjustments in respect of previous periods	(360)	-
	<u>27,780</u>	<u>33,335</u>
Total current tax		
Deferred tax		
Origination and reversal of timing differences	2,500	3,343
	<u>2,500</u>	<u>3,343</u>
Total deferred tax		
	<u>30,280</u>	<u>36,678</u>
Taxation on profit on ordinary activities		

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

6. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2018 - higher than)* the standard rate of corporation tax in the UK of 19% *(2018 - 19%)*. The differences are explained below:

	2019 £	2018 £
Surplus on ordinary activities before tax	<u>198,311</u>	<u>174,572</u>
Surplus on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19%)	37,679	33,169
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,276	3,417
Non-taxable income	(6,207)	(3,610)
Adjustments in respect of previous periods	(360)	-
Change in tax rates	(289)	(34)
Fixed asset differences	(1,819)	3,736
Total tax charge for the year	<u>30,280</u>	<u>36,678</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. Intangible assets

	Development costs
	£
Cost	
At 1 January 2019	1,950
Additions	31,141
	<hr/>
At 31 December 2019	33,091
	<hr/>
Amortisation	
At 1 January 2019	33
Charge for the year	3,648
	<hr/>
At 31 December 2019	3,681
	<hr/>
Net book value	
At 31 December 2019	29,410
	<hr/> <hr/>
At 31 December 2018	1,917
	<hr/> <hr/>

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2019	89,871	99,944	189,815
Additions	51,410	526	51,936
Disposals	(211)	-	(211)
At 31 December 2019	<u>141,070</u>	<u>100,470</u>	<u>241,540</u>
Depreciation			
At 1 January 2019	37,032	60,222	97,254
Charge for the year	8,679	16,402	25,081
Disposals	(142)	-	(142)
At 31 December 2019	<u>45,569</u>	<u>76,624</u>	<u>122,193</u>
Net book value			
At 31 December 2019	<u>95,501</u>	<u>23,846</u>	<u>119,347</u>
At 31 December 2018	<u>52,839</u>	<u>39,722</u>	<u>92,561</u>

Finance leases

The net book value of tangible assets includes £7,704 (2018: £9,630) in respect of assets held under finance leases and hire purchase agreements.

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

9. Fixed asset investments

The Company holds interests in three not-for-profit organisations.

A 50% share is held in World Book Day Limited, a charity registered in England and Wales. The Company is required to appoint three Trustees, enabling the Company to exercise influence but not control over the charity.

A 25% interest is held in Publishers Licensing Society Limited, a private company limited by guarantee and incorporated in England and Wales. The Company is entitled to appoint up to 3 directors, enabling the Company to exercise influence but not control over the organisation.

A 25% interest is held in Book Industry Communication Limited, a private company limited by guarantee and incorporated in England and Wales. By virtue of the Company's entitlement to vote at general meetings, it can exercise influence but not control over the organisation.

As all organisations are not-for-profit and therefore have no share capital, no assets in respect of these investments have been recognised in the Statement of Financial Position.

10. Debtors

	2019 £	2018 £
Due after more than one year		
Other debtors	38,196	38,196
	<u>38,196</u>	<u>38,196</u>
Due within one year		
Trade debtors	1,405,496	1,439,999
Other debtors	3,630	7,895
Prepayments and accrued income	153,746	138,267
	<u>1,601,068</u>	<u>1,624,357</u>

11. Current asset investments

	2019 £	2018 £
Listed investments	71,701	64,033
	<u>71,701</u>	<u>64,033</u>

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	83,908	220,220
Corporation tax	28,140	8,730
Other taxation and social security	319,451	215,600
Obligations under finance lease and hire purchase contracts	1,970	1,970
Other creditors	4,037	7,720
Accruals and deferred income	2,020,749	1,604,523
	<u>2,458,255</u>	<u>2,058,763</u>

13. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Net obligations under finance leases and hire purchase contracts	5,980	7,949
	<u>5,980</u>	<u>7,949</u>

14. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	1,970	1,970
Between 1-5 years	5,980	7,949
	<u>7,950</u>	<u>9,919</u>

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. Deferred taxation

	2019 £
At beginning of year	(15,223)
Charged to profit or loss	(2,500)
At end of year	<u>(17,723)</u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(17,723)	(15,223)
	<u>(17,723)</u>	<u>(15,223)</u>

16. Company status

The Company is limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £100 towards the assets of the Company in the event of liquidation.

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

17. Pension commitments

The Company operates a defined contributions scheme open to current employees and a defined benefit pension scheme that closed to new employees in 2007 and to future accrual on 31 July 2013. The defined contribution scheme's assets are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £58,837 (2018: £51,577). Contributions totalling £92 (2018: £1,403) were payable to the fund at the reporting date and are included in creditors.

The Company's defined benefit pension scheme is administered by trustees and is independent of the Company's finances. The Company paid no annual deficit funding contribution this year (2018: £129,500) on the recommendation of an independent actuary.

Changes in the fair value of scheme assets:

	2019 £	2018 £
Reconciliation of present value of plan assets		
At the beginning of the year	8,030,000	8,330,000
Interest income	214,000	198,000
Employer deficit contributions	-	130,000
Benefits paid	(239,000)	(269,000)
Actual return on scheme assets (excluding interest)	1,048,000	(359,000)
At the end of the year	9,053,000	8,030,000

Changes in the present value of the defined benefit obligation:

	2019 £	2018 £
At the beginning of the year	(7,125,000)	(7,594,000)
Interest cost	(189,000)	(179,000)
Actuarial gains/losses	(409,000)	379,000
Benefits paid	239,000	269,000
At the end of the year	(7,484,000)	(7,125,000)

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

17. Pension commitments (continued)

	2019 £	2018 £
Present value of the defined benefit obligation	(7,484,000)	(7,125,000)
Fair value of scheme assets	9,053,000	8,030,000
Surplus at the accounting date	1,569,000	905,000

The surplus at the accounting date has not been recognised as it is not deemed recoverable by reduced future deficit contributions and there is no agreement with the scheme for a refund. On the basis that the surplus has not been recognised, contributions made and net interest on the scheme have been recognised in other comprehensive income.

Amount recognised in the Statement of Comprehensive Income

	2019 £	2018 £
Net income on defined benefit scheme	25,000	19,000
Costs of defined benefit scheme	-	(123,895)
Total	25,000	(104,895)

Scheme assets at fair value

	2019 £	2018 £
Diversified Growth Fund	4,032,000	5,451,000
Liability Driven Investments	1,835,000	1,543,000
Annuities	927,000	918,000
Other assets	76,000	118,000
Bonds	931,000	-
Diversified credit fund	1,252,000	-

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

17. Pension commitments (continued)

The most recent actuarial valuation of the defined benefit scheme assets and the present value of the defined benefit obligation was carried out as at 31 December 2018. The principal assumptions used last year in the previous actuarial valuation, and in the updated valuation this year include:

	2019	<i>2018</i>
	%	%
Rate of increase in pre 1997 pensions in payment	3.0	<i>3.0</i>
Rate of increase of post 1997 pensions in payments	2.7	<i>2.9</i>
Rate of increase of deferred pensions	2.0	<i>2.2</i>
Discount rate	1.9	<i>2.7</i>
Post retirement mortality	1.3	<i>1.3</i>
Inflation assumption - RPI	3.0	<i>3.2</i>
Inflation assumption - CPI	2.0	<i>2.2</i>
GMP equalisation	3.0	<i>0</i>
Life expectancy		
Life expectancy aged 65 at the reporting date - male	21.7	<i>21.9</i>
Life expectancy aged 65 at the reporting date - female	23.4	<i>23.8</i>
Life expectancy aged 65, 20 years after the reporting date - male	23.0	<i>23.3</i>
Life expectancy aged 65, 20 years after the reporting date - female	24.9	<i>25.4</i>

18. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019	<i>2018</i>
	£	£
Not later than 1 year	127,320	<i>127,320</i>
Later than 1 year and not later than 5 years	477,450	<i>477,450</i>
Later than 5 years	180,370	<i>307,690</i>
	785,140	<i>912,460</i>

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

19. Related party transactions

All the directors are also senior executives of companies that pay subscriptions at the standard subscription rates for member companies.

The Company received £107,467 (2018: £102,223) from companies of which the Company is a member. At the accounting date, these companies owed the Company £Nil (2018: £Nil).

The Company provided part of its office space to World Book Day Ltd, a company with a common director and in which the Company has an interest, free of charge during the year and paid a subscription fee of £11,330 (2018: £11,330) to Book Industry Communications Limited, an organisation in which the Company has an interest.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.