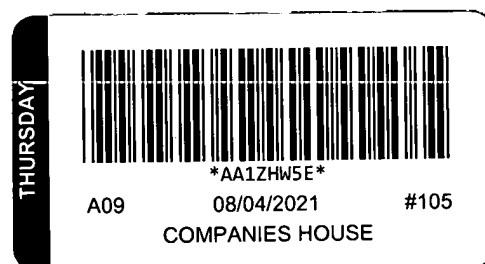


Registered number: 03282879

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)

FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 DECEMBER 2020



THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 03282879

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	7	56,980	29,410
Tangible assets	8	98,905	119,347
		<u>155,885</u>	<u>148,757</u>
Current assets			
Debtors	10	979,531	1,601,068
Current asset investments	11	73,625	71,701
Cash at bank and in hand		1,861,458	956,347
		<u>2,914,614</u>	<u>2,629,116</u>
Creditors: amounts falling due within one year	12	<u>(2,633,364)</u>	<u>(2,458,255)</u>
Net current assets		<u>281,250</u>	<u>170,861</u>
Total assets less current liabilities		<u>437,135</u>	<u>319,618</u>
Creditors: amounts falling due after more than one year	13	(3,367)	(5,980)
Provisions for liabilities			
Deferred tax	15	(14,108)	(17,723)
		<u>(14,108)</u>	<u>(17,723)</u>
Net assets		<u>419,660</u>	<u>295,915</u>
Capital and reserves			
Profit and loss account		419,660	295,915
		<u>419,660</u>	<u>295,915</u>

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 03282879

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2020

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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....
A M Callanan (President)
Director

Date: Apr 6, 2021

The notes on pages 4 to 21 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 2020**

	Profit and loss account £	Total equity £
At 1 January 2019	152,884	152,884
Comprehensive income for the year		
Profit for the year	168,031	168,031
Cost of defined benefit scheme	(25,000)	(25,000)
Total comprehensive income for the year	143,031	143,031
At 1 January 2020	295,915	295,915
Comprehensive income for the year		
Profit for the year	153,745	153,745
Cost of defined benefit scheme	(30,000)	(30,000)
Total comprehensive income for the year	123,745	123,745
At 31 December 2020	419,660	419,660

The notes on pages 4 to 21 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 2020

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 continue to impact the UK economy and all businesses well into 2021. Due to the nature of how the Company operates, the majority of revenues for the next 12 months following the signing of these financial statements have already been received and are therefore expected to be stable. That said, the Company are planning how to respond to the continued travel and social distancing restrictions which are currently preventing International Bookfairs alongside 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 2020

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 profit or loss.

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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 profit or loss 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 profit or loss 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 profit or loss 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 accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.8 Coronavirus Job Retention Scheme income and expenditure

Furlough income is receivable as compensation for salary expenses already incurred and to give immediate financial support to the Company with no future related costs. This income is recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. 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 2020

2. Accounting policies (continued)

2.10 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 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 profit or loss 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 Statement of Financial Position.

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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.11 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.

Intangible assets comprise of capitalised website development costs and are considered to have a finite useful life, which has been estimated at five years.

2.12 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.

2.13 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.

2.14 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 2020

2. Accounting policies (continued)

2.14 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 2018, 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.

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 2020, meaning no further 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 2020

4. Auditors' remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £ (2019 -).

5. Employees

The average monthly number of employees, including directors, during the year was 14 (2019 - 14).

6. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	36,400	28,140
Adjustments in respect of previous periods	-	(360)
	<u>36,400</u>	<u>27,780</u>
Total current tax	<u><u>36,400</u></u>	<u><u>27,780</u></u>
Deferred tax		
Origination and reversal of timing differences	(3,615)	2,500
Total deferred tax	<u><u>(3,615)</u></u>	<u><u>2,500</u></u>
Taxation on profit on ordinary activities	<u><u>32,785</u></u>	<u><u>30,280</u></u>

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

6. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>186,529</u>	<u>198,311</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	35,441	37,679
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,378	1,276
Capital allowances for year in excess of depreciation	2,032	(1,819)
Non-taxable income	(6,066)	(6,207)
Adjustment in respect of previous periods	-	(360)
Changes in tax rates	-	(289)
Total tax charge for the year	<u><u>32,785</u></u>	<u><u>30,280</u></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 2020**

7. Intangible assets

	Development costs £
Cost	
At 1 January 2020	33,091
Additions	41,650
At 31 December 2020	<u>74,741</u>
Amortisation	
At 1 January 2020	3,681
Charge for the year	14,080
At 31 December 2020	<u>17,761</u>
Net book value	
At 31 December 2020	<u><u>56,980</u></u>
At 31 December 2019	<u><u>29,410</u></u>

THE PUBLISHERS ASSOCIATION LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2020	141,070	100,470	241,540
Additions	2,104	-	2,104
Disposals	(11,114)	(33,516)	(44,630)
At 31 December 2020	<u>132,060</u>	<u>66,954</u>	<u>199,014</u>
Depreciation			
At 1 January 2020	45,569	76,624	122,193
Charge for the year	13,013	8,892	21,905
Disposals	(11,114)	(32,875)	(43,989)
At 31 December 2020	<u>47,468</u>	<u>52,641</u>	<u>100,109</u>
Net book value			
At 31 December 2020	<u><u>84,592</u></u>	<u><u>14,313</u></u>	<u><u>98,905</u></u>
At 31 December 2019	<u><u>95,501</u></u>	<u><u>23,846</u></u>	<u><u>119,347</u></u>

Finance leases

The net book value of tangible assets includes £5,350 (2019: £7,704) 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 2020

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 minority 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

	2020 £	2019 £
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	772,269	1,405,496
Other debtors	301	3,630
Prepayments and accrued income	168,765	153,746
	<u>979,531</u>	<u>1,601,068</u>

11. Current asset investments

	2020 £	2019 £
Listed investments	73,625	71,701
	<u>73,625</u>	<u>71,701</u>

THE PUBLISHERS ASSOCIATION LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	187,281	83,908
Corporation tax	36,400	28,140
Other taxation and social security	414,745	319,451
Obligations under finance lease and hire purchase contracts	2,406	1,970
Other creditors	1,539	4,037
Accruals and deferred income	1,990,993	2,020,749
	<u>2,633,364</u>	<u>2,458,255</u>

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

	2020 £	2019 £
Net obligations under finance leases and hire purchase contracts	3,367	5,980
	<u>3,367</u>	<u>5,980</u>

14. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Within one year	2,406	1,969
Between 1-5 years	3,367	5,980
	<u>5,773</u>	<u>7,949</u>

THE PUBLISHERS ASSOCIATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

15. Deferred taxation

	2020 £
At beginning of year	(17,723)
Charged to profit or loss	3,615
At end of year	(14,108)

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(14,108)	(17,723)
	(14,108)	(17,723)

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
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 £67,583 (2019: £61,389). Contributions totalling £9,957 (2019: £92) 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 nor in the previous year on the recommendation of an independent actuary.

Reconciliation of present value of plan liabilities:

	2020 £	2019 £
Reconciliation of present value of plan assets		
At the beginning of the year	9,053,000	8,030,000
Interest income	170,000	214,000
Benefits paid	(237,000)	(239,000)
Actual return on scheme assets (excluding interest)	1,078,000	1,048,000
At the end of the year	10,064,000	9,053,000

Reconciliation of present value of plan liabilities:

	2020 £	2019 £
At the beginning of the year	(7,484,000)	(7,125,000)
Interest cost	(140,000)	(189,000)
Actuarial gains/losses	(1,147,000)	(409,000)
Benefits paid	237,000	239,000
At the end of the year	(8,534,000)	(7,484,000)

THE PUBLISHERS ASSOCIATION LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

17. Pension commitments (continued)

Composition of plan assets:

	2020 £	2019 £
Present value of the defined benefit obligation	(8,534,000)	(7,484,000)
Fair value of scheme assets	10,064,000	9,053,000
Surplus at the accounting date	1,530,000	1,569,000

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

	2020 £	2019 £
Net income on defined benefit scheme	30,000	25,000
Total	30,000	25,000

Scheme assets at fair value:

	2020 £	2019 £
Diversified Growth Fund	4,091,000	4,032,000
Liability Driven Investments	2,677,000	1,835,000
Annuities	953,000	927,000
Other assets	27,000	76,000
Bonds	985,000	931,000
Diversified credit fund	1,331,000	1,252,000

THE PUBLISHERS ASSOCIATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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:

	2020	2019
	%	%
Rate of increase in pre 1997 pensions in payment	3.0	3.0
Rate of increase of post 1997 pensions in payments	2.7	2.7
Rate of increase of deferred pensions	2.4	2.0
Discount rate	1.2	1.9
Post retirement mortality	1.3	1.3
Inflation assumption - RPI	3	3.0
Inflation assumption - CPI	2.4	2.0
GMP equalisation	3.0	3.0
Life expectancy		
Life expectancy aged 65 at the reporting date - male	21.8	21.7
Life expectancy aged 65 at the reporting date - female	23.6	23.4
Life expectancy aged 65, 20 years after the reporting date - male	23.1	23.0
Life expectancy aged 65, 20 years after the reporting date - female	25.0	24.9

18. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020	2019
	£	£
Not later than 1 year	95,490	127,320
Later than 1 year and not later than 5 years	509,280	477,450
Later than 5 years	53,050	180,370
	657,820	785,140

THE PUBLISHERS ASSOCIATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

19. Related party transactions

All the directors are also senior executives of members that pay subscriptions at the standard rates.

The Company received £128,973 (2019: £107,467) from two organisations with a common director. At the accounting date, these organisations owed the Company £Nil (2019: £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.

The Company also paid a subscription fee of £11,330 (2019: £11,330) to Book Industry Communications Limited, an organisation in which the Company has an interest.

20. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2020 was unqualified.

The audit report was signed on 6 April 2021 by Myfanwy Neville FCA (Senior Statutory Auditor) on behalf of Berg Kaprow Lewis LLP.