The Publishers Association Limited

REPORT AND FINANCIAL STATEMENTS

31 December 2017

Registered Number: 3282879

The Publishers Association Limited
DIRECTORS' REPORT
31 December 2017

The directors have pleasure in presenting their annual report and the audited financial statements for the year ended 31 December 2017.

STATUS

The company is limited by guarantee and does not have 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 given in the Statement of Comprehensive Income on page 6

DIRECTORS

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

E J Tribe	(President)	S A Page
C G M Redmayne	(Vice President)	P A J Phillips
J S Barr	(Past President)	J M L Prior
E J Bourne		A K Thadha
J E Byng		T D Weldon
N D Fowler		R Bristow
M Maus		C L Poplak

The following directors resigned during the year: J M Duffy (18 September 2017), J Kingsley (4 January 2018), A J C Robinson (19 May 2017), The Baroness Rebuck DBE (27 April 2017) and D R Shelley (22 November 2017). The following directors were appointed during the year: M Maus (5 September 2017), C L Poplak (27 April 2017) and R Bristow (30 November 2017).

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.

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 have 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.

AUDITOR

The auditor, RSM 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

S A Lotinga
Secretary

Registered office
6th Floor
25 Farringdon Street
London
EC4A 4AB

22 March 2018

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 accounting 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.

Opinion

We have audited the financial statements of The Publishers Association Limited (the 'company') for the year ended 31 December 2017 which comprise the statement of comprehensive income, the balance sheet and notes to the financial statements, 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 FRS 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 2017 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditor's 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 UK, including the Financial Reporting Council's (FRC) 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

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.

Opinions 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' exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors
As explained more fully 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, 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.

Auditor's 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 auditor's 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's 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 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.

RSM UK Audit LLP

NICHOLAS SLADDEN (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London EC4A 4AB

19 April 2018

The Publishers Association Limited

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2017

	Note	2017 £	2016 £
INCOME			
Subscriptions		1,946,634	1,748,055
Other income		1,320,642	1,397,161
		3,267,276	3,145,216
EXPENDITURE			
Administrative expenses		(3,054,400)	(3,016,231)
OPERATING SURPLUS	2	212,876	128,985
Bank and other interest receivable		124	2,097
Interest payable	3	(228)	(914)
Net interest on defined benefit scheme	14	9,000	(9,000)
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		221,772	121,168
Taxation charge	4	(43,439)	(35,951)
SURPLUS FOR THE FINANCIAL YEAR	11	178,333	85,217
OTHER COMPREHENSIVE INCOME			
(Losses)/Gains on defined benefit scheme		(111,842)	160,000
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		66,491	245,217

The Publishers Association Limited
BALANCE SHEET
31 December 2017 Registered Number: 3282879

	Note		2017		2016
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		95,591		94,671
CURRENT ASSETS					
Debtors	7	315,952		424,674	
Cash at bank and in hand		602,199		614,250	
		918,151		1,038,924	
Creditors: amounts falling due within one year	8	(862,977)		(1,050,552)	
NET CURRENT (LIABILITIES) ASSETS			55,174		(11,628)
TOTAL ASSETS LESS CURRENT LIABILITIES			150,765		83,043
Creditors: amounts falling due after more than one year	9		-		-
Provision for liabilities and charges	10		(11,880)		(10,649)
NET ASSETS EXCLUDING PENSION LIABILITY			138,885		72,394
Pension liability	14		-		-
NET ASSETS INCLUDING PENSION LIABILITY			138,885		72,394
RESERVES					
Profit and loss	11		138,885		72,394

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 6 to 16 were approved by the directors and authorised for issue on 22 March 2018 and are signed on their behalf by:

E J Tribe
President

1 PRINCIPAL ACCOUNTING POLICIES

The Publishers Association Limited ("the Company") is a private limited company domiciled and incorporated in England. The address of the Company's registered office is shown on page 2. The principal place of business is 50 Southwark Street, London SE1 1UN. The Company's principal activities and nature of its operations are given in the Directors' Report on page 1.

Basis of accounting

These financial statements are prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and in accordance with the requirements of the Companies Act 2006, as applicable to companies subject to the small company regime, and under the historical cost convention. The disclosure requirements of Section 1A of FRS 102 have been applied, other than where additional disclosure is required to show a true and fair view.

Going Concern

The financial statements have been prepared on a going concern basis. The directors have considered the 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 these 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 Section 1A of FRS 102.

Income

Income represents subscriptions receivable 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$^1/_3$% on cost
Fixtures and fittings	10-33$^1/_3$% on cost

Foreign currencies

Monetary 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. Differences on monetary assets and liabilities are taken to the statement of comprehensive income.

Leases

An asset and corresponding liability are recognised for leasing agreements that transfer to the Company substantially all the risks and rewards incidental to ownership ("finance leases"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. Interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

All other leases are operating leases and the annual rentals are charged to profit or loss on a straight line basis over the lease term.

1 PRINCIPAL ACCOUNTING POLICIES (continued)

Taxation
The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on the taxable surplus for the year. Taxable surplus differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or subsequently enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable surplus and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Post-employment benefits
The company operates both a defined contribution and a defined benefit pension scheme and accounts for these in accordance with FRS102, Section 28 'Employee benefits'.

Defined contribution
The defined contribution scheme is open for current employees. Contributions to the scheme are charged in the accounting period in which the contributions are due.

Defined benefit
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.

1 PRINCIPAL ACCOUNTING POLICIES (continued)

Defined benefit (continued)

Gains or losses recognised in profit or loss:

- 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

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 sensitive assumptions (see note 14).

2 OPERATING SURPLUS

			2017	2016
			£	£
This is stated after charging:				
Auditor's remuneration	-	statutory audit	19,000	17,250
	-	taxation	6,650	5,750
	-	other assurance	7,100	8,250
Depreciation	-	owned assets	21,403	25,185
	-	leased assets	2,693	2,693
Operating leases	-	land and buildings	122,015	130,041

3 INTEREST PAYABLE

	2017	2016
	£	£
Finance leases	228	914

4 TAXATION

		2017	2016
		£	£
(a)	Tax charge for the year		
	United Kingdom corporation tax	16,367	9,129
	Adjustment in respect of prior periods	(816)	(2,827)
	Pension credit transfer to Other Comprehensive Income	26,657	24,000
		42,208	30,302
	Deferred taxation:		
	Timing differences	1,231	5,649
		43,439	35,951

(b) The tax assessed for the year is lower than the standard rate of corporation tax for small companies in the United Kingdom of 19% (2016: 20%). The differences are explained below:

	2017	2016
Surplus on ordinary activities before tax	221,772	121,168
Surplus on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom	42,137	24,234
Effects of:		
Expenses not deductible for tax purposes	1,571	14,544
Adjustment in respect of prior periods	(816)	(2,827)
Change in tax rates	547	-
Current tax charge for the year	43,439	35,951

5 STAFF COSTS

	2017	2016
	£	£
Wages and salaries	822,980	776,709
Social security costs	95,155	88,906
Pension costs	67,676	119,318
	985,811	984,933

	Number	Number
The average number of persons, excluding directors, employed during the period was:	13	14

No director received any remuneration for their services during the year (2016: £Nil).

6 TANGIBLE FIXED ASSETS

	Fixtures and fittings	Computer equipment	Total
	£	£	£
Cost			
1 January 2017	89,871	102,099	191,970
Additions	-	25,016	25,016
Disposals	-	(32,092)	(32,092)
31 December 2017	89,871	95,023	184,894
Depreciation			
1 January 2017	17,381	79,918	97,299
Charge for year	11,642	12,454	24,096
Disposals	-	(32,092)	(32,092)
31 December 2017	29,023	60,280	89,303
Net book amount			
31 December 2017	60,848	34,743	95,591
31 December 2016	72,490	22,181	94,671

The net book amount of tangible fixed assets includes £nil (2016: £2,693) in respect of assets held under finance leases and hire purchase contracts.

7 DEBTORS

	2017	2016
	£	£
Trade debtors	143,055	315,303
Other debtors	5,729	835
Prepayments and accrued income	167,168	108,536
	315,952	424,674

8	CREDITORS: amounts falling due within one year	2017 £	2016 £
	Trade creditors	116,812	74,071
	Obligations under finance leases	851	4,408
	Corporation tax	16,367	9,129
	Other taxation and social security	34,238	93,719
	Other creditors	6,798	4,236
	Accruals and deferred income	687,911	864,989
		862,977	1,050,552

9	CREDITORS: Amounts falling due after more than one year	2017 £	2016 £
	Finance leases	-	-
	Gross amounts repayable by instalments falling due:		
	In one year or less	851	4,408
	In more than one but not more than five years	-	-
		851	4,408
	Included in liabilities due within one year	(851)	(4,408)
		-	-

Finance lease payments represent rentals payable for certain items of fixtures and fittings. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is four years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. Obligations under finance leases are secured by the lessor's charge over the leased assets.

10 DEFERRED TAX

Deferred tax is stated at a tax rate of 17% (2016: 17%). The deferred tax asset of £nil (2016: £nil) relates to the defined benefit pension scheme liability. The charge for the year of £26,657 (2016: £56,000) is accounted for in Other Comprehensive Income.

The deferred tax liability of £11,880 (2016: £10,649) relates to accelerated capital allowances expected to reverse in the short to medium term. The charge for the year of £1,231 (2016: £5,649) is accounted for in the Statement of Comprehensive Income.

11	PROFIT AND LOSS	2017 £	2016 £
	At beginning of year surplus/(deficit)	72,394	(172,823)
	Surplus for the financial year	178,333	85,217
	(Loss)/gain on defined benefit scheme	(111,842)	160,000
	At end of year surplus	138,885	72,394

12 SHARE CAPITAL

The company is limited by guarantee and does not have 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

The total future minimum lease payments under non-cancellable operating leases for land and buildings are as follows:

Number of years from the accounting date in which leases expire:	2017 £	2016 £
Less than one year	127,320	110,604
Between one and five years	509,280	509,280
Over five years	435,010	562,330

14 PENSION SCHEME

Defined contribution scheme
There were no outstanding or prepaid contributions at the accounting date.

Defined benefit scheme
The scheme is administered by trustees and is independent of the company's finances. The scheme closed to new members in 2007 and to future accrual on 31 July 2013. The company pays annual deficit funding contributions of £129,500 (2016: £129,500) on the recommendation of an independent actuary and these contributions will continue until 2019.

Actuarial valuation
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 2015. This valuation has been updated to the accounting date in accordance with FRS 102, Section 28. The principal assumptions used in that valuation include:

	2017 %	2016 %
Rate of increase in salaries	N/A	N/A
Rate of increase in pre 1997 pensions in payment	3.0	3.0
Rate of increase of post 1997 pensions in payment	2.9	3.0
Rate of increase of deferred pensions	2.2	2.4
Discount rate	2.4	2.6
Post retirement mortality	1.2	1.2
Inflation assumption - rpi	3.2	3.4
- cpi	2.2	2.4
Life expectancy aged 65 at the accounting date - male	22.1	22.1
- female	23.9	24.1
Life expectancy aged 65 20 years after accounting date - male	23.5	23.8
- female	25.5	26.0

14 PENSION SCHEME (continued)

Changes in the present value of the defined benefit obligation	2017 £000	2016 £000
At beginning of year	(8,076)	(6,423)
Benefits paid	720	258
Interest cost	(201)	(239)
Actuarial loss	(37)	(1,672)
At end of year	(7,594)	(8,076)

Changes in the fair value of scheme assets		
At beginning of year	8,369	6,110
Benefits paid	(720)	(258)
Employer deficit contributions	130	130
Interest income	210	230
Actual return on scheme assets (excluding interest)	341	2,157
At end of year	8,330	8,369
Surplus at the accounting date	736	293

The surplus at the accounting date is not recognised as it is not recoverable by reduced future deficit contributions and there is no agreement with the scheme for a refund.

Amount recognised in the Statement of Comprehensive Income		
Interest on scheme assets	210	230
Interest on scheme liabilities	(201)	(239)
Net interest income/(cost)	9	(9)

Scheme assets at fair value		
Diversified Growth Fund	5,068	4,948
Liability Driven Investments	2,110	2,180
Annuities	1,022	1,094
Other assets	130	147
	8,330	8,369

15 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 £95,000 (2016: £112,500) from the Publishers' Licensing Services Limited ("PLS"), a company limited by guarantee and of which the Company is a member. At the accounting date, PLS owed the company £nil (2016: £nil).

The company received £7,926 (2016: £nil) from the Copyright Licensing Agency Limited ("CLA"), a company limited by guarantee and of which the Company is a member. At the accounting date, CLA owed the company £nil (2016: £nil).