



Company Number: 08963259

**THE NEWSPAPER ORGANISATION LIMITED  
(TRADING AS NEWS MEDIA ASSOCIATION)  
FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2021**

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## **NEWS MEDIA ASSOCIATION INDEX**

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## **NEWS MEDIA ASSOCIATION COMPANY INFORMATION**

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### **DIRECTORS**

G R P Allinson (resigned 3 March 2022)  
K J Beatty (resigned 9 December 2021)  
D Cammiade  
D W Dinsmore  
H K Faure Walker  
V A M Hewitt  
N D Hugh  
E R Iliffe (appointed 3 March 2022)  
D J King (resigned 22 January 2021)  
Z R Leonard (appointed 1 April 2021)  
M Malhotra (resigned 31 March 2021)  
D J Montgomery (appointed 22 January 2021)  
J J Mullen  
J Spooner  
A C Thomas (resigned 1 July 2021)  
K R Underwood (appointed 3 March 2022)  
J J S Welsh (appointed 9 December 2021)

### **COMPANY SECRETARY**

D R Newell (resigned 30 June 2021)  
O L Meredith (appointed 1 July 2021)

### **INDEPENDENT AUDITORS**

Crowe U.K. LLP  
55 Ludgate Hill  
London  
EC4M 7JW

### **TREASURER**

J J S Welsh

**NEWS MEDIA ASSOCIATION  
DIRECTORS' REPORT  
YEAR ENDED 31 DECEMBER 2021**

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The directors present their report and the financial statements for the year ended 31 December 2021.

**PRINCIPAL ACTIVITIES**

The Newspaper Organisation Limited ("the company") was incorporated as a company limited by guarantee on 27 March 2014.

The principal activity of the company is to promote the shared interests of news media publishers in the UK and to protect the general interests of its members to government, regulatory authorities, industry bodies and other organisations whose work affects the industry. The company also promotes the efficacy of news brands in all their forms as news and marketing media.

The company, trading as News Media Association ("NMA") represents a source of information on industry issues of general concern to members and facilitates the sharing of best practice covering commercial, marketing and technical issues throughout the membership.

**OTHER SIGNIFICANT MATTERS**

The Newspaper Society ("NS") operated a defined benefit pension scheme which was closed with effect from 30 June 2015. Members of that scheme were transferred to a defined contribution scheme which is compliant with auto-enrolment legislation. As a consequence, the current service cost is expected to increase over time, as the average age of former members increases.

A full actuarial valuation was commissioned as at 1 December 2021 to be carried out by a qualified actuary, independent of the scheme's sponsoring employer. Since June 2015, following the closure of the scheme, the company pays no ongoing final salary pension contribution as a percentage of pensionable pay. Based on actuarial certification from the last full actuarial valuation as of 1 December 2018, the continuation of the pension recovery plan, agreed between relevant publisher members, the trustees of the pension scheme and NMA, implemented as part of the NS and Newspaper Publishers Association ("NPA") merger, was confirmed adequate for the elimination of the deficit by 2024.

**GOING CONCERN**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore they adopt the going concern basis in preparing the financial statements. The directors' assessment of the appropriateness of the going concern basis has paid due regard to the impact on the company of the Covid19 pandemic.

**DIRECTORS**

The directors who served during the year, and subsequently, are detailed on page 1.

**NEWS MEDIA ASSOCIATION  
DIRECTORS' REPORT  
YEAR ENDED 31 DECEMBER 2021**

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**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 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 and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

**DISCLOSURE OF INFORMATION TO AUDITOR**

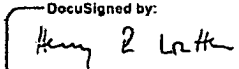
Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that 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 auditor is aware of that information.

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 on 26 May

2022 and signed on its behalf by:

DocuSigned by:  
  
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**H K Faure Walker**  
Director

  
**O L Meredith**  
Company Secretary

## **Independent Auditor's Report to The Members of The Newspaper Organisation Limited (trading as News Media Association)**

### **Opinion**

We have audited the financial statements of The Newspaper Organisation Limited ("the company") for the year ended 31 December 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity and notes 1 to 19 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 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 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **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 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **Independent Auditor's Report to The Members of The Newspaper Organisation Limited (trading as News Media Association) (continued)**

### **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 auditor's 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.

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 matter prescribed by the Companies Act 2006**

In our opinion based on the work undertaken in the course of our 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 by the company, 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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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.

## **Independent Auditor's Report to The Members of The Newspaper Organisation Limited (trading as News Media Association) (continued)**

### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and its industry together with discussions with management, we identified financial reporting standards and Companies Act 2006 as having a direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the company's financial statements may be materially misstated due to fraud, we did not identify any areas with an increased risk of fraud.

Our audit procedures included:

- completing a risk-assessment process during our planning for this audit that specifically considered the risk of fraud;
- enquiry of management about the company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review, where applicable, of the board of directors' minutes;
- enquiry of management, about litigations and claims and inspection of relevant correspondence;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- specific audit testing on and review of areas that could be subject to management override of controls and potential bias, most notably around the key judgments and estimates, including revenue recognition and entries relating to the defined benefit pension scheme; and
- considering management override of controls outside of the normal operating cycles including testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements including evaluating the business rationale of significant transactions, outside the normal course of business.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.



**Independent Auditor's Report to The Members of The Newspaper Organisation Limited (trading as News Media Association) (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 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.



**Leo Malkin (Senior statutory auditor)**

**for and on behalf of  
Crowe U.K. LLP**

**Statutory Auditor**

**55 Ludgate Hill  
London  
EC4M 7JW**

**Date: 1 June 2022**

**NEWS MEDIA ASSOCIATION**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
Turnover	4	1,958,508	2,206,799
Cost of sales: staff costs	7	<u>(840,001)</u>	<u>(979,373)</u>
<b>Gross profit</b>		<b>1,118,507</b>	<b>1,227,426</b>
Administrative expenses: property and operating costs		<u>(1,267,049)</u>	<u>(1,247,727)</u>
<b>Operating loss</b>	8	<b>(148,542)</b>	<b>(20,301)</b>
Interest receivable and similar income	5	150	3,067
Fair value gains on fixed asset investments	11	478,715	103,754
Finance costs (net)	6	<u>(77,000)</u>	<u>(78,000)</u>
<b>Profit before taxation</b>		<b>253,323</b>	<b>8,520</b>
Tax on profit	9	<u>(133,012)</u>	<u>41,778</u>
<b>Profit for the financial year</b>		<b><u>120,311</u></b>	<b><u>50,298</u></b>
<b>Other comprehensive income/(loss) for the year</b>			
Re-measurement of defined benefit pension scheme Liability	16.6	1,522,000	(2,525,000)
Covenanted pension contributions		427,000	403,000
Deferred tax arising on items included within other comprehensive income		<u>(76,000)</u>	<u>402,000</u>
		<b><u>1,873,000</u></b>	<b><u>(1,720,000)</u></b>
<b>Total comprehensive income/(loss) for the year</b>		<b><u>1,993,311</u></b>	<b><u>(1,669,702)</u></b>

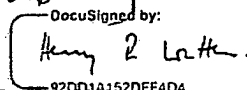
The related notes 1 to 19 form part of these financial statements.

**NEWS MEDIA ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
**31 DECEMBER 2021**

COMPANY NO: 8963259

	Notes	2021 £	2020 £
<b>FIXED ASSETS</b>			
Intangible assets	10	35,771	121,622
Investments	11	<u>4,986,423</u>	<u>4,450,906</u>
		<u>5,022,194</u>	<u>4,572,528</u>
<b>CURRENT ASSETS</b>			
Debtors	12	88,719	275,934
Cash at bank and in hand		<u>1,313,260</u>	<u>1,273,710</u>
		<u>1,401,979</u>	<u>1,549,644</u>
<b>CREDITORS: amounts falling due within one year</b>	13	<u>(566,519)</u>	<u>(594,771)</u>
<b>NET CURRENT ASSETS</b>		<u>835,460</u>	<u>954,873</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,857,654</u>	<u>5,527,401</u>
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred tax	15	<u>(218,249)</u>	<u>(106,307)</u>
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITY</b>		<u>5,639,405</u>	<u>5,421,094</u>
Deferred benefit pension scheme liability	16.2	<u>(3,222,000)</u>	<u>(4,997,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>		<u>2,417,405</u>	<u>424,094</u>
<b>CAPITAL AND RESERVES</b>			
Profit and loss account	18	<u>2,417,405</u>	<u>424,094</u>
		<u>2,417,405</u>	<u>424,094</u>

The financial statements were approved and authorised for issue by the board and were signed on 26 May 2022 on its behalf by:

DocuSigned by:  
  
 H K Faure Walker  
 Director

  
 O L Meredith  
 Company Secretary

The related notes 1 to 19 form part of these financial statements.

**NEWS MEDIA ASSOCIATION  
STATEMENT OF CASH FLOWS  
YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	120,311	50,298
Adjustments for:		
Amortisation of intangible fixed assets	85,851	91,074
Defined benefit pension scheme adjustments	77,000	78,000
Interest received	(150)	(3,067)
Taxation	133,012	(41,778)
Fair value gains on fixed asset investments	(478,715)	(103,751)
Movement in debtors	(98,502)	197,086
Movement in creditors	257,395	196,304
	<u>96,202</u>	<u>464,166</u>
Cash generated from operations	96,202	464,166
Corporation tax paid	(766)	(27,147)
<b>Net cash generated from operating activities</b>	<u>95,436</u>	<u>437,019</u>
<b>Cash flows from investing activities</b>		
Receipts from sales of listed investments	1,047,706	773,164
Payments for purchases of listed investments	(1,196,218)	(761,257)
Returns on investments, management fees and servicing of finance	92,476	(71,561)
Interest received	150	3,067
	<u>(55,886)</u>	<u>(56,587)</u>
<b>Net cash outflow from investing activities</b>	<u>(55,886)</u>	<u>(56,587)</u>
<b>Net increase in cash and cash equivalents</b>	39,550	380,432
Cash and cash equivalents at the beginning of year	<u>1,273,710</u>	<u>893,278</u>
<b>Cash and cash equivalents at end of year</b>	<u>1,313,260</u>	<u>1,273,710</u>

Cash and cash equivalents include a balance of £32,497 (2020: £32,497) of funds reserved for national members projects only.

The related notes 1 to 19 form part of these financial statements.

**NEWS MEDIA ASSOCIATION**  
**STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED 31 DECEMBER 2021**

	Capital contribution reserve £	Profit and loss account £	Total £
1 January 2020	-	2,093,796	2,093,796
Profit for the financial year	-	50,298	50,298
Other comprehensive income:			
Re-measurement of defined benefit pension scheme liability		(2,525,000)	(2,525,000)
Covenanted pension scheme contributions	403,000	-	403,000
Deferred tax arising on items included within other comprehensive income	-	402,000	402,000
Reserves transfer	<u>(403,000)</u>	<u>403,000</u>	<u>-</u>
31 December 2020	-	424,094	424,094
Profit for the financial year	-	232,253	232,253
Other comprehensive income:			
Re-measurement of defined benefit pension scheme liability	-	1,522,000	1,522,000
Covenanted pension scheme contributions	427,000	-	427,000
Deferred tax arising on items included within other comprehensive income	-	(334,000)	(334,000)
Reserves transfer	<u>(427,000)</u>	<u>427,000</u>	<u>-</u>
31 December 2021	<u>-</u>	<u>2,271,347</u>	<u>2,271,347</u>

The related notes 1 to 19 form part of these financial statements.

**NEWS MEDIA ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2021**

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**1. COMPANY INFORMATION**

The company's principal activities are detailed within the directors' report. The company is registered and domiciled in England and Wales. The company's principal place of business is its registered office at 55 Ludgate Hill, London EC4M 7JW, England.

The company is a private company (limited by guarantee) and consequentially does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

**2. ACCOUNTING POLICIES**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The directors consider the going concern basis to be appropriate having paid due regard to the company's projected results during the twelve months from the date the financial statements are approved and the anticipated cash flows, availability of bank facilities and mitigating actions that can be taken during that period. The assessment of the appropriateness of the going concern basis has paid due regard to the impact on the company of the Covid19 pandemic.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group financial statements. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The following principal accounting policies have been applied:

**2.2 Revenue**

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:

**NEWS MEDIA ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2021**

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**2. ACCOUNTING POLICIES (Continued)**

**2.2 Revenue (continued)**

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

Within the above overall revenue recognition framework, the following specific recognition policies are applied for the company's principal revenue streams:

- Membership subscription income is recognised over a straight-line basis over the membership period;
- Commercial revenue is recognised in the period in which the relevant services are delivered;
- Dividend income is recognised when the right to receive payment is established;
- Donations that do not impose specific future performance related conditions on the recipient are recognised as income when the resources are received or receivable. Transactions that do impose future performance-related conditions on the recipient are recognised in income only when those conditions are met.

**2.3 Intangible assets and amortisation**

Intangible fixed assets under the cost model are stated at historical cost less accumulated amortisation 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. During the development period, costs that benefit the organisation for more than one year, are added to the work in progress value while costs which do not represent incremental value to the asset, either in terms of functionality or content, are expended as they are incurred.

The current estimated useful life of the intangible fixed assets being carried forward is three years.

**2.4 Operating leases**

Rentals paid under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease term.

**NEWS MEDIA ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2021**

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**2. ACCOUNTING POLICIES (Continued)**

**2.5 Fixed asset investments**

Listed investments are carried at market value. Fair value changes are recognised in the profit and loss account if the shares are publicly traded or their value can otherwise be measured reliably. Investments in subsidiary undertakings are carried at estimated market value, which is calculated based on net asset value. Investments in associated undertakings are carried at cost less provision for any impairment in value.

**2.6 Defined benefit pension scheme ("DBPS") and capital contribution reserve**

For the company's DBPS the amounts charged to operating profit are the costs arising from employee service rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to the profit and loss account and is included within finance costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the defined benefit liability) are recognised immediately in other comprehensive income.

The company's DBPS is funded, with the assets of the scheme held separately from the company, in separate trustee administered funds. DBPS assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

Relevant publisher members, previously members of Newspaper Society, make contributions directly to the pension scheme to reduce the pension deficit in line with the deed of covenant. These contributions meet the definition of capital contributions and are represented by a credit to the capital contribution reserve and matched by a corresponding debit to the pension liability. This is then released to the profit and loss reserve in the year as all conditions are met.

**2.7 Defined contribution pension scheme ("DCPS")**

The company operates a DCPS for its employees. A DCPS is a pension scheme 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 profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the scheme are held separately from the company in independently administered funds.



**NEWS MEDIA ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2021**

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**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 profit and loss account, except that a change 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 balance sheet date in the countries where the company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.9 Debtors**

Short term debtors are measured at transaction price, less any impairment.

**2.10 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 twenty-four 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.

**2.11 Creditors**

Short term creditors are measured at transaction price.

**NEWS MEDIA ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2021**

**3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Preparation of the financial statements requires management to make significant judgements and estimates. The principal items in the financial statements where such judgements and estimates have been made are as follows:

**3.1 Defined Benefit Pension Scheme ("DBPS")**

DBPS accounting requires certain assumptions to be made in order to value the company's obligations to determine the charges to be made to the statement of comprehensive income. These amounts are particularly sensitive to changes in the following assumptions:

- A 0.5% increase in the discount rate applied to DBPS liabilities would result in a 10% decrease to the overall DBPS liability;
- A 0.5% increase in the inflation linked assumptions would result in a 2.3% increase to the overall DBPS liability;
- A one-year decrease in the life expectancy assumption would result in a 5.4% decrease to the overall DBPS liability.

**4. TURNOVER**

	2021 £	2020 £
Subscription income – Local Members	777,576	838,368
Subscription income – National Members	784,588	791,924
Other	396,344	576,507
	<u>1,958,508</u>	<u>2,206,799</u>

**5. INTEREST RECEIVABLE**

	2021 £	2020 £
Interest income on deposits and bank accounts	<u>150</u>	<u>3,067</u>

**6. FINANCE COSTS (NET)**

	2021 £	2020 £
Defined benefit pension scheme		
• Interest income	264,000	266,000
• Interest expense	(187,000)	(344,000)
	<u>77,000</u>	<u>(78,000)</u>

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**7. STAFF COSTS**

The average number of employees during the year was 9(2020:10). All employees are engaged in the administration and provision of services to the members. Their aggregated remuneration comprised:

	2021 £	2020 £
Wages and salaries	657,876	674,842
Social security costs	76,515	86,321
Pension costs: defined benefit scheme	31,034	1,838
Pension costs: defined contribution scheme	48,236	45,948
Other staff costs	26,340	170,424
	<u>840,001</u>	<u>979,373</u>

The directors and the treasurer received no emoluments during the current and previous year.

**8. OPERATING PROFIT**

	2021 £	2020 £
Is stated after charging:		
Amortisation of intangible fixed assets	85,851	91,074
Auditor's remuneration	17,800	16,000
Operating lease rentals: Land and buildings	48,055	110,000
	<u>151,706</u>	<u>317,074</u>

**9. TAXATION**

	2021 £	2020 £
<b>Analysis of tax charge/(credit) in the year</b>		
<b>Current tax</b>		
UK corporation tax charge on profit for the year (see below)	-	695
Adjustments in respect of prior periods	70	(17,891)
	<u>70</u>	<u>(17,196)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences (note 15)	111,942	(9,582)
Deferred tax on pension	21,000	(15,000)
	<u>132,942</u>	<u>(24,582)</u>
<b>Tax charge/(credit) on profit</b>	<u>133,012</u>	<u>(41,778)</u>

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**9. TAXATION (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Profit before taxation	<u>253,323</u>	<u>8,520</u>
Profit before taxation multiplied by standard rate of corporation tax in the UK	48,131	1,619
<b>Effects of:</b>		
Fair value (gains)/losses on fixed asset investments	(105,716)	(14,237)
Defined benefit pension scheme timing differences	20,520	15,200
Permanent differences	10,412	(14,187)
Other timing differences	<u>26,653</u>	<u>12,300</u>
<b>Current tax charge for the year (see above)</b>	<u>0</u>	<u>695</u>

**Factors that may affect future tax charges**

At 31 December 2021 trading corporation tax losses of approximately £445,000 (2020: £350,000) were being carried forward for relief against future trading profits.

No deferred tax asset has been recognised in respect of those losses given the current uncertainty as to their utilisation.

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**10. TANGIBLE AND INTANGIBLE FIXED ASSETS**

	Intangible: Software Development Costs £	Tangible: Office Equipment £
<b>Cost</b>		
1 January 2021	445,059	16,191
Disposals	-	(16,191)
<b>31 December 2021</b>	<u>445,059</u>	<u>-</u>
<b>Depreciation</b>		
1 January 2021	323,437	16,191
Disposals	-	(16,191)
Charge for the year	85,851	-
<b>31 December 2021</b>	<u>409,288</u>	<u>-</u>
<b>Net book value</b>		
<b>31 December 2021</b>	<u>35,771</u>	<u>-</u>
<b>31 December 2020</b>	<u>121,622</u>	<u>-</u>

**11. FIXED ASSET INVESTMENTS**

	Investment in Subsidiary Undertaking £	Cash at Brokers £	Listed Investments £	Total £
<b>Cost or valuation</b>				
1 January 2021	15,793	157,350	4,277,763	4,450,906
Additions	-	1,047,706	1,196,218	2,243,924
Disposals/transfers	-	(1,196,218)	(1,047,706)	(2,243,924)
Fair value adjustment	(265)	-	478,980	478,715
Dividends received	-	90,061	-	90,061
Management fees	-	(33,259)	-	(33,259)
<b>31 December 2021</b>	<u>15,528</u>	<u>65,640</u>	<u>4,905,255</u>	<u>4,986,423</u>
<b>Net book value</b>				
<b>31 December 2021</b>	<u>15,528</u>	<u>65,640</u>	<u>4,905,255</u>	<u>4,986,423</u>
<b>31 December 2020</b>	<u>15,793</u>	<u>157,350</u>	<u>4,277,763</u>	<u>4,450,906</u>

All fixed asset investments have been ring-fenced for local members' use and are reserved to be used to fund the deficit in the defined benefit pension scheme.

The historic cost of the listed investments above is £3,838,005 (2020: £3,734,043).

At 31 December 2021 the fair value investment reserve (included within the profit and loss account reserve) was £1,148,683 (2020: £559,513).

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**11. FIXED ASSET INVESTMENTS (Continued)**

**Subsidiary undertakings**

At 31 December 2021, the company's wholly owned subsidiary undertakings (who have the same registered office as the company) were:

***Public Notices Portal Limited ("PNPL")***

PNPL was incorporated on 17 November 2020. During 2021 the company has progressed work for the development of a digital portal for the benefit of local publishers. PNPL represents the local news media sector in the launch of an industry digital portal to optimise and extend community access to statutory public notices.

***Adstream Limited ("Adstream")***

After the sale of the Adstream's AdFast system in July 2013 the company's activities were restricted to providing the necessary support to Qmulu Limited to address any issues arising with customers and ensuring that the outstanding consideration for the disposal was collected. During 2021 the company has been virtually dormant and no activities of significance are expected in the future.

**Associated undertaking**

At 31 December 2020 Publishers Audience Measurement Company Limited ("PAMCO") was an associated undertaking of the company. PAMCO's principal activity is providing audience research in use for print and digital advertising trading primarily by national newspapers and magazines.

The company's contract with PAMCO ended in December 2020 and it ceased being a member of PAMCO on 1 January 2021 when the contract was transferred to Newsworks. Accordingly PAMCO is no longer an associated undertaking of the company.

<b>12. DEBTORS</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,636	18,104
Other debtors	6,777	4,806
VAT recoverable	6,285	176,706
Prepayments and accrued income	74,021	76,318
	<u>88,719</u>	<u>275,934</u>
<b>13. CREDITORS: amounts falling due within one year</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade creditors	29,260	50,245
VAT	-	285,718
Corporation tax	-	291
Other creditors	449,955	174,710
Accruals and deferred income	87,304	83,807
	<u>566,519</u>	<u>594,771</u>

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<b>14. FINANCIAL INSTRUMENTS</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	4,905,255	4,277,763
Financial assets that are debt instruments measured at amortised cost	<u>14,698</u>	<u>199,616</u>
	<u><b>4,919,953</b></u>	<u><b>4,477,379</b></u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u><b>479,215</b></u>	<u><b>224,955</b></u>
Financial assets measured at fair value through the profit or loss account comprise listed investments. Financial assets measured at amortised cost comprise trade debtors, other debtors and VAT receivable.		
Financial liabilities measured at amortised cost comprise trade creditors, and other creditors.		
<b>15. DEFERRED TAXATION</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Brought forward	106,307	115,889
Movement in year	<u>111,942</u>	<u>(9,582)</u>
Carried forward	<u><b>218,249</b></u>	<u><b>106,307</b></u>
The provision for deferred taxation is made up as follows:		
Revaluation gains on fixed asset investments	<u><b>218,249</b></u>	<u><b>106,307</b></u>

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**16. PENSION COMMITMENTS**

**16.1 Summary**

The company operated a defined benefit pension scheme ("the scheme") which ceased accrual with effect from 30 June 2015. This is a separate trustee administered fund holding the scheme assets to meet long-term scheme liabilities. The liabilities have been calculated by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown in note 16.8 below.

The 1 December 2018 actuarial valuation carried out for the trustees showed a deficit of £2,279,000. The company has agreed with the trustees that it will aim to eliminate the deficit in the period from 1 January 2019 to 30 June 2024 by the payment of annual contributions of £428,000, paid within the first half of each year in respect of the deficit. No further contributions are payable in respect of the cost accrual of benefits. The scheme's administrative costs are paid for by the employer and met from investment income.

**16.2 Present Value of Defined Benefit Obligation, Fair Value of Assets and Scheme Liability**

	2021 £'000	2020 £'000
Present value of funded obligations	(19,107)	(20,418)
Fair value of scheme assets	<u>14,811</u>	<u>14,250</u>
Deficit in scheme	(4,296)	(6,168)
Related deferred tax asset	<u>1,074</u>	<u>1,171</u>
<b>Net liability</b>	<u><b>(3,222)</b></u>	<u><b>(4,997)</b></u>

**16.3 Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation**

	2021 £'000	2020 £'000
Opening balance	20,418	17,132
Interest expense	264	342
Actuarial (gain)/loss	(1,422)	3,028
Benefits paid and expenses	<u>(153)</u>	<u>(84)</u>
<b>Closing Balance</b>	<u><b>19,107</b></u>	<u><b>20,418</b></u>



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**16. PENSION COMMITMENTS (Continued)**

**16.4 Reconciliation of Opening and Closing Balances of the Fair Value of Scheme Assets**

	2021 £'000	2020 £'000
Opening balance	14,250	13,164
Interest income	187	266
Return on plan assets in excess of interest income	100	503
Contributions by the company	33	7
Contributions by third party	394	396
Benefits paid and expenses	<u>(153)</u>	<u>(86)</u>
<b>Closing Balance</b>	<b><u>14,811</u></b>	<b><u>14,250</u></b>

**16.5 Defined Benefit Costs Recognised in Profit and Loss Account**

	2021 £'000	2020 £'000
Expenses	31	2
Net interest cost	<u>77</u>	<u>78</u>
	<b><u>108</u></b>	<b><u>80</u></b>

**16.6 Defined Benefit Costs Recognised in Other Comprehensive Income**

	2021 £'000	2020 £'000
Return on plan assets in excess of interest income	100	503
Actuarial gain/(loss)	<u>1,422</u>	<u>(3,028)</u>
	<b><u>1,522</u></b>	<b><u>(2,525)</u></b>

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**16. PENSION COMMITMENTS (Continued)**

<b>16.7 Assets</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Liability driven investments	4,359	3,927	-
Absolute return bonds	-	-	3,741
Diversified growth funds	4,401	4,287	7,744
Diversified credit funds	5,886	5,349	-
Property	-	-	1,309
Cash	165	687	370
	<b>14,811</b>	<b>14,250</b>	<b>13,164</b>

None of the fair values of the assets shown above include any direct investments in the company's own financial instruments or any property occupied by, or other assets used by, the company.

**16.8 Assumptions**

	<b>2021</b>	<b>2020</b>
	<b>%</b>	<b>%</b>
Discount rate	1.80	1.30
Inflation (RPI)	3.30	2.90
Inflation (CPI)	2.50	1.90
Allowance for revaluation of deferred pensions of CPI or 5% per annum if less	2.50	1.90
Allowance for revaluation of deferred pensions of RPI or 5% per annum if less	3.20	2.85

The mortality assumptions adopted at 31 December 2021 imply the following life expectancies:

	<b>Life expectancy at age 65 (Years)</b>
Male retiring in 2021	21.7
Female retiring in 2021	24.1
Male retiring in 2041	23.0
Female retiring in 2041	25.6

The best estimate of contributions to be paid by the company to the scheme for the year commencing 1 January 2022 is £428,000.

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**17. COMMITMENTS**

At 31 December 2021 the company had £Nil (2020: £55,000) total future commitments payable under non-cancellable land and buildings operating leases.

At 31 December 2021 the company had capital commitments contracted but not provided of £Nil (2020: Nil).

As described on note 11, the company may, from time to time, enter into transactions acting solely on behalf of its national or local members. These financial commitments are expected to be met with funding from the relevant category of member.

**18. PROFIT AND LOSS ACCOUNT**

	Pension £	Local £	National £	Shared £	Total £
1 January 2021	(1,191,104)	271,223	314,835	1,029,140	424,094
Total comprehensive profit/(loss) for the year	<u>2,063,154</u>	<u>(22,673)</u>	<u>627</u>	<u>(47,797)</u>	<u>1,993,311</u>
31 December 2021	<u>872,050</u>	<u>248,550</u>	<u>315,462</u>	<u>981,343</u>	<u>2,417,405</u>

The above results have been determined by allocating the annual results according to the benefits enjoyed by the local and national members and in respect of the ring-fenced balances attributed to one category of members or the other.

**19. RELATED PARTY TRANSACTIONS**

At 31 December 2021 and 31 December 2020 no intercompany balances existed between the company and its subsidiary undertakings.

All members, including those represented by the board, pay subscriptions and purchase other services from the company. The board of directors are representatives from NMA member companies and, as such, are also identified as related parties.