

Publishers' Licensing Services Limited
(FORMERLY PUBLISHERS LICENSING SOCIETY LIMITED)

REPORT AND FINANCIAL STATEMENTS

31 March 2018

Publishers' Licensing Services Limited

DIRECTORS' REPORT

The directors present their report and statement of accounts for the year ended 31 March 2018.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the Publishers' Licensing Services Limited (formerly Publishers Licensing Society Limited) (PLS) is to represent the interests of publishers in the collective management of their rights and to distribute licence fee income to publishers from collective licensing of limited copying and related secondary uses of their publications. PLS also offers a permissions service and other rights management services in response to publishers' demands where a collective solution is appropriate.

PUBLISHERS AUTHORISING PLS TO MANAGE THEIR COLLECTIVE LICENSING RIGHTS

PLS held active Accounts for 3,857 (2017: 3,620) publishers at the year end.

COLLECTIVE LICENSING

PLS works closely with a number of other collective management organisations to deliver the benefits to publishers of effective collective licensing including the following:

The Copyright Licensing Agency (CLA) continues to be PLS's primary licensing agent, collecting revenues from the education, public and business sectors for copying and using extracts from books, journals, magazines and websites under (a) licences which it negotiates and issues in the UK and (b) its bilateral agreements with equivalent reproduction rights organisations (RROs) overseas. PLS works in conjunction with the other members of CLA in overseeing its work on behalf of right holders, namely the Authors' Licensing and Collecting Society (ALCS) representing authors and visual artist organisations, Design and Artists Copyright Society (DACS) and the Picture Industry Collecting Society for Effective Licensing (PICSEL).

NLA media access (NLA), is PLS's licensing agent for those magazine publishers that have instructed PLS to license the copying and use of their titles to the business and government sectors through NLA.

RECEIPTS

PLS received licensing income for the year of £38.3 million (2017: £35.1 million) from the following sources:

- CLA: £33,273,608 (being the publishers' share of CLA revenues).
- NLA: £5,036,399 (being the publishers', authors' and visual artists' share of NLA revenues).
- Stichting Reprorecht for public lending rights: £29,800 (being the publishers' share of such revenues).

	2016/17	2017/18	% change
	£	£	
CLA			
Education	13,101,733	13,610,708	3.9%
Business	9,726,851	10,430,261	7.2%
Government	1,544,926	1,477,251	(4.4%)
NHS	1,076,262	1,219,155	13.3%
Document delivery	114,652	115,621	0.8%
Media monitoring	182,285	167,963	(7.9%)
Foreign	4,411,708	6,252,649	41.7%
Returned monies	12,664	-	(100.0%)
CLA Total	30,171,081	33,273,608	10.3%
NLA media access	4,864,633	5,036,399	3.5%
PLR (Netherlands)	22,866	29,800	30.3%
PLS Permissions	18,778	26,130	39.2%
Total	35,077,358	38,365,937	9.4%

Publishers' Licensing Services Limited

DIRECTORS' REPORT

DISTRIBUTIONS

Distributable revenue was £36m (2017: £32.9m), after deduction of PLS 6% administration fee, and was processed in accordance with the PLS Distribution Charter and the Distribution Timetable, both available on the website at www.pls.org.uk.

The distributable revenue from CLA and Stichting Reprorecht was allocated and distributed to publishers.

In the case of the distributable revenue from NLA, PLS allocated the shares of NLA revenues due to authors (17.5%) and visual artists (10%) in accordance with the Rights Valuation, as reflected in the PLS Distribution Charter, for payment to ALCS and to DACS and PICSEL respectively prior to distributing NLA revenues to publishers.

Some 1.2% of the monies PLS received from CLA was for copying and using works owned by publishers who have not previously signed a Publisher Account Form. PLS continues to employ 2 members of staff who are dedicated to tracing such publishers and inviting them to sign up to PLS so that the monies allocated to the copying of their works can be released to them. Some 261 new publishers have signed up to PLS during the year as a result of this work.

PLS SERVICES

Following the decision of the publishers participating in the **Access to Research** service PLS continued to operate the service throughout the year. The service currently provides free online access to over 15 million academic articles in 3,000 public libraries across the UK.

In May 2017 PLS launched its new PLS Permissions service, powered by the bespoke PLSclear software tool. The service enables both paid for licences and free of charge licences. Publishers can choose to increase the efficiency of managing their own permissions by using PLS Permissions Direct. Alternatively they can outsource the management of their permissions to PLS using PLS Permissions Assist. PLS charges a modest handling fee on paid for licences only to cover its costs. Authors and editors requiring permission to use extracts can use the free PLS Permissions Request service. The service has generated considerable interest and is already being well used.

PUBLISHER ENGAGEMENT

In addition to regular meetings with individual publishers throughout the year:

Consultations were held with publishers throughout the year, both in person and online, on various licensing initiatives proposed by CLA.

PLS's stands at both the London and Frankfurt Book Fairs, hosted in partnership with CLA, were heavily used, allowing for meetings with some 250 publishers.

Introductory sessions on collective licensing, webinars and permissions and rights management workshops attracted over 400 publishers.

Awareness of PLS and its collective licensing and permissions services was raised at relevant industry conferences and events and in publications, in many cases through sponsorship opportunities presented by its trade association members.

In addition to a number of speaking engagements PLS staff attended key industry conferences and events throughout the year.

COLLABORATION

CLA and NLA continue to evolve and maintain the relevance of their licence offerings in full consultation with PLS and publishers and in response to licensee needs. PLS strives to ensure that all new initiatives complement and support publishers' businesses.

PLS garnered widespread support from publishers for CLA's application for extended collective licensing.

Publishers' Licensing Services Limited

DIRECTORS' REPORT

During the year Fetter Investments Limited, the joint venture with ALCS formed in the previous year, sold its interest in the Digital Content Store to CLA and repaid to PLS and ALCS their respective loans of £300,000 each.

PLS continues to seek out opportunities to streamline its back office functions in conjunction with CLA and ALCS and currently outsources its finance, human resources and project management functions to CLA.

COPYRIGHT

PLS has continued to work in partnership with its trade association members, and also CLA and ALCS, to defend the copyright interests of publishers in the passage of the draft European Directive on copyright in the Digital Single Market, including in particular in education licensing and sharing in European levy monies

PLS continues to support and work closely with the Copyright Hub Foundation.

COMPLIANCE AND CODE OF CONDUCT

PLS is regulated under the Collective Management of Copyright (EU Directive) Regulations 2016 and continues to ensure that its governance and operations are in compliance with the new Regulations.

PLS staff have worked in accordance with the PLS Code of Conduct and no complaints were received during the year.

STATUS

The Company is limited by guarantee and does not have a share capital. In the event of the Company being wound up, each member undertakes to contribute to the assets of the Company such amount as may be required but not exceeding £1. The members of the Company are:

The Association of Learned and Professional Society Publishers (ALPSP)
Independent Publishers Guild (IPG)
Professional Publishers Association Limited (PPA)
The Publishers Association Limited (PA)

RESULTS

The result for the year is shown in the statement of comprehensive income on page 8.

DIRECTORS

Up to three directors are nominated by each of the members and approved by the Board. The Chairman is appointed by the Board and is independent of the members. The Chief Executive is appointed by the Board. The following directors have held office since 1 April 2017:

M Bide – Chairman	N Service (PPA)
S M Faulder – Chief Executive	B Shine (IPG)
O E Gadsby (IPG)	E J Tribe (PA)
J A Holton (ALPSP) (resigned 22.03.2018)	T Williams (IPG) (appointed 12.09.2017)
S A Lotinga (PA)	H J Wilson (PPA)
M Majurey (PA)	T Wright (ALPSP) (appointed 28.11.2017)
A I McCulloch (ALPSP)	A C R Yeates (PPA)
P E H Richardson (ALPSP) (resigned 31.12.2017)	

PLS purchased and maintained throughout the financial year directors' liability insurance in respect of itself and for its directors. This gives appropriate cover for any legal action brought against PLS or its directors.

Publishers' Licensing Services Limited

DIRECTORS' REPORT

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, as far as they are aware, that 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

Kingston Smith LLP was appointed as auditor of the company during the year and has indicated its willingness to continue office.

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

On behalf of the board,



S M FAULDER
Director

Registered Office:
Barnard's Inn
86 Fetter Lane
EC4A 1EN

 June 2018

Publishers' Licensing Services Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF THE 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) including Financial Reporting Standard 102, 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (FRS102).

The directors are responsible for the maintenance and integrity of the corporate and financial information included on Publishers' Licensing Services website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 surplus or deficit 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.

Publishers' Licensing Services Limited

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF PUBLISHERS' LICENSING SERVICES LTD

Opinion

We have audited the financial statements of Publishers' Licensing Services Limited (the 'company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position 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 March 2018 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Publishers' Licensing Services Limited

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF PUBLISHERS' LICENSING SERVICES LTD

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.

Opinions on other matters 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

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.

Publishers' Licensing Services Limited

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF PUBLISHERS' LICENSING SERVICES LTD

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.

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

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

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

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.



Janice Riches (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

15 June 2018

Chartered Accountants
Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Publishers' Licensing Services Limited
Statement of Comprehensive Income
for the year ended 31 March 2018

Company number: 01575236

	<i>Note</i>	2018 £	2017 £
COPYRIGHT FEES RECEIVED		38,365,937	35,077,358
Distributable to rightsholders		(36,073,170)	(32,916,360)
TURNOVER		<u>2,292,767</u>	<u>2,160,998</u>
Income from Joint Venture	<i>4</i>	1,021	16,193
Administrative expenses		(2,277,608)	(2,301,119)
OPERATING PROFIT/(DEFICIT)	<i>2</i>	<u>16,180</u>	<u>(123,928)</u>
Interest receivable	<i>16</i>	26,342	43,998
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>42,522</u>	<u>(79,930)</u>
Taxation	<i>3</i>	(13,857)	16,536
SURPLUS/(DEFICIT) FOR THE YEAR		<u>28,665</u>	<u>(63,394)</u>
RETAINED EARNINGS BROUGHT FORWARD		523,128	586,522
RETAINED EARNINGS CARRIED FORWARD		<u>551,793</u>	<u>523,128</u>

Publishers' Licensing Services Limited
Statement of Financial Position
for the year ended 31 March 2018

Company number: 01575236

	<i>Note</i>	2018	2017
		£	£
Non-current assets			
Fixed assets			
Tangible assets	6	34,246	57,360
Intangible assets	7	240,567	330,540
Investment in Joint Venture	8	5	5
		<u>274,818</u>	<u>387,905</u>
Non-current loan receivable	9	<u>-</u>	<u>300,000</u>
Current assets			
Debtors			
Short term bank deposits	10	1,386,378	1,299,327
Cash at bank and in hand		3,854,035	2,386,287
		4,103,927	5,914,561
		<u>9,344,340</u>	<u>9,600,175</u>
Creditors: amounts falling due within one year	11	(9,046,747)	(9,733,442)
Net current assets/(liabilities)		297,593	(133,267)
PROVISIONS FOR LIABILITIES	12	(20,618)	(31,510)
TOTAL ASSETS LESS CURRENT LIABILITIES AND NET ASSETS		<u>551,793</u>	<u>523,128</u>
CAPITAL AND RESERVES			
Profit and Loss Account		<u>551,793</u>	<u>523,128</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. Approved by the directors and authorised for issue on 14 June 2018.


M Bide
Director

Publishers' Licensing Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

1 PRINCIPAL ACCOUNTING POLICIES

Publishers' Licensing Services ("the Company") is a private company limited by guarantee domiciled and incorporated in England and Wales. The address of the Company's registered office is shown on page 4, which is its principal place of business. The Company's principal activities and nature of its operations are given in the Directors' Report on pages 1 to 4.

ENTITY NAME CHANGE

With effect from 7 October 2017 the name of the company was changed from Publishers Licensing Society Ltd to Publishers' Licensing Services Limited.

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. The functional and presentational currency is pounds sterling. Monetary amounts in these financial statements are rounded to the nearest pound.

TURNOVER

Turnover consists of the subvention retained by the company (net of VAT) from the amounts receivable for disbursement. Turnover also includes income received from PLS Clear subscriptions.

GOING CONCERN

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

CASHFLOW STATEMENT

The company has taken advantage of the small companies exemption from preparing a cashflow under the terms of FRS 102.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost.

Depreciation of fixed assets is charged by equal annual instalments, commencing with the year of acquisition, to write off their cost less any residual value over the expected useful lives.

Property improvements	over term of occupation
Computer equipment	3 years
Fixtures and fittings	8 years
Assets under construction	Nil

INTANGIBLE FIXED ASSETS AND AMORTISATION

Intangible fixed assets are stated at cost, with assets held under construction until brought into use.

Computer software is amortised over its expected useful life of three years.

PENSIONS

The company makes payments on behalf of employees to a defined contribution scheme. The contributions are charged against revenue for the period in which the contributions are due.

Publishers' Licensing Services Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018

TAXATION

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet 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 profits 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 there will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

FINANCIAL INSTRUMENTS

Financial instruments are recognised at amortised cost.

INVESTMENTS

Investments in joint ventures are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investments in joint ventures the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Publishers' Licensing Services Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018

2	OPERATING SURPLUS/(DEFICIT)	2018	2017
		£	£
	The operating surplus/(deficit) is arrived at after charging:		
	Auditor's remuneration		
	- audit services	15,500	15,500
	- other services	9,000	22,300
	Depreciation	23,114	23,786
	Amortisation	186,367	167,170
3	TAXATION	2018	2017
		£	£
	a) Current tax		
	UK Corporation tax at 19% (2017: 20%)	24,749	-
	Adjustment in respect of prior periods	-	(23,768)
		24,749	(23,768)
	Deferred tax		
	Origination and reversal of timing differences	15,783	8,581
	Effect of tax rate change on opening balance	(4,891)	(1,349)
	Total deferred tax charge/(credit)	(10,892)	7,232
	Tax on surplus/(deficit) on ordinary activities	13,857	(16,536)
	b) Factors affecting the tax charge for the year		
	Surplus/(Deficit) on ordinary activities before taxation	42,522	(79,930)
	Surplus/(Deficit) on ordinary activities multiplied by the standard rate of UK corporation tax of 19% (2017: 20%)	8,079	(15,986)
	Effects of:		
	Expenses not deductible for tax purposes	333	1,977
	Difference between depreciation and capital allowances	(25)	154
	Effect of change in corporation tax rate	4,891	(621)
	Deferred tax not recognised	-	21,708
	Depreciation on assets not qualifying for tax allowances	170	-
	Adjustment in respect of prior periods	409	(23,768)
	Taxation charge	13,857	(16,536)

There are unrelieved taxation losses of £nil (2017: £59,193) available to relieve future taxable profits.

Publishers' Licensing Services Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018

4	INCOME FROM JOINT VENTURE	2018	2017
		£	£
	Software licensing fees	1,021	16,193
		<u>1,021</u>	<u>16,193</u>
5	STAFF COSTS	2018	2017
		£	£
	Wages and salaries	823,969	719,793
	Social security costs	79,966	117,385
	Other pension costs	69,936	81,293
		<u>973,871</u>	<u>918,471</u>
		2018	2017
		£	£
	Directors' remuneration		
	Emoluments	182,812	182,237
	Pension costs	17,147	17,147
		<u>199,959</u>	<u>199,384</u>

The highest paid director of the company received emoluments of and defined contribution of £147,275 (2017: £144,509) and pension contributions of £17,147 (2017: 17,147)

One director is accruing pension benefits under a defined pension scheme (2017: one).

The average number of employees, excluding non-executive directors during the year was:

	2018	2017
	Number	Number
Management and administration	<u>16</u>	<u>16</u>

Publishers' Licensing Services Limited
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 March 2018

6 TANGIBLE FIXED ASSETS

	Property improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 April 2017	58,118	26,354	30,555	115,027
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2018	58,118	26,354	30,555	115,027
Depreciation				
At 1 April 2017	29,059	3,221	25,387	57,667
Charge for year	16,606	3,743	2,765	23,114
Disposals	-	-	-	-
At 31 March 2018	45,665	6,964	28,152	80,781
Net book amounts				
At 31 March 2018	12,453	19,390	2,402	34,246
At 31 March 2017	29,059	23,133	5,168	57,360

7 INTANGIBLE FIXED ASSETS

	Computer software £	Assets under construction £	Total £
Cost			
At 1 April 2017	1,139,457	123,279	1,262,736
Additions	-	96,394	96,394
Transfer	199,378	(199,378)	-
At 31 March 2018	1,338,835	20,295	1,359,130
Amortisation			
At 1 April 2017	932,196	-	932,196
Charge for year	186,367	-	186,367
At 31 March 2018	1,118,563	-	1,118,563
Net book amounts			
At 31 March 2018	220,272	20,295	240,567
At 31 March 2017	207,261	123,279	330,540

Publishers' Licensing Services Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018

8 INVESTMENT IN JOINT VENTURE

ALCS and PLS have agreed to cooperate in the establishment and management of Fetter Investments Limited as a joint venture through the medium of a company. The company has one hundred issued shares of ten pence each. ALCS and PLS share equally in the management and control of the Company.

	2018	2017
	£	£
Investment in Joint Venture	5	5
	<u>5</u>	<u>5</u>

9 NON-CURRENT LOAN RECEIVABLE

	2018	2017
	£	£
Loan to related party	-	300,000
	<u>-</u>	<u>300,000</u>

10 DEBTORS

	2018	2017
	£	£
Trade debtors	1,259,913	1,214,029
Corporation tax recoverable	-	24,127
Sundry debtors	24,150	8,652
Prepayments and accrued income	102,315	52,519
	<u>1,386,378</u>	<u>1,299,327</u>

11 CREDITORS

	2018	2017
	£	£
Amounts falling due within one year		
Publishers' fees	7,194,143	8,216,774
Other taxation and social security	450,387	217,884
Trade Creditors	130,342	167,993
Accruals	543,936	425,939
Contributors' fees	727,939	704,852
	<u>9,046,747</u>	<u>9,733,442</u>

Publishers' Licensing Services Limited
NOTES TO THE FINANCIAL STATEMENTS
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12 PROVISIONS FOR LIABILITIES

	2018	2017
	£	£
Deferred taxation calculated at a corporation tax rate of 19% (2017: 17%)		
Fixed asset timing differences	37,718	50,073
Short term timing differences	(17,100)	(8,500)
Losses and other deductions	-	(10,063)
	<u>20,618</u>	<u>31,510</u>

13 SHARE CAPITAL

The company is limited by guarantee and does not have a share capital.

14 RELATED PARTIES

M Bide, A McCulloch, S Lotinga and N Service are directors of the Copyright Licensing Agency (CLA), from which the company received the majority of its copyright fee income, for which M Bide is also joint chair.

The four member bodies, being The Publishers Association (PA), Professional Publishers Association (PPA), Association of Learned and Professional Society Publishers (ALPSP) and Independent Publishers Guild (IPG) are each represented on the board by three directors.

During the year the PA, PPA and ALPSP were each paid governance fees of £30,000 (2017: £30,000) and IPG was paid governance fees of £25,000 (2017: £15,000).

Fees totalling £169,365 (2017: £212,754) were paid to PA, PPA, ALPSP and IPG for sponsorship and services provided.

The company was charged £52,883 (2017: £23,000) for Finance services, £24,214 (2017: £10,376) for HR Services, £1,153 (2017: £33,393) for project management services and £144,352 (2017: £155,042) for office related costs by CLA. As at 31 March 2018 CLA had an accounts payable balance of £95,295 (2017: £61,227) and accounts receivable balance of £6,044 (2017: £42,704).

The company charged £14,042 (2017: £40,504) to CLA, £1,033 (2017: £800) to PA and £1,298 (2017: £2,170) to ALCS for sundry services. At 31 March the amount due to ALPSP is £Nil (2017: £22,800) and £Nil (2017: £1,000) is due to PA. In addition £960 (2017: £960) was outstanding from PA.

The company received software licence fees of £1,021 (2017: £16,193) and interest of £17,286 (2017: £23,277) from Fetter investments. At 31 March 2018 the amount due from Fetter was £17,214 (2017: £316,193)

Publishers' Licensing Services Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018

15 PROPERTY COMMITMENTS

The total future minimum payments under a non-cancellable rental license agreement for current premises Barnard's Inn, 86 Fetter Lane are as follows:

	2018	2017
	£	£
Amounts due:		
Within one year	54,361	71,138
Between one and five years	-	284,552
Greater than 5 years	-	195,630
	<u>54,361</u>	<u>551,320</u>

16 INTEREST RECEIVABLE

Interest was earned from the following sources:

	2018	2017
	£	£
Bank	9,056	20,721
Related Party - Fetter Investments Limited	17,286	23,277
	<u>26,342</u>	<u>43,998</u>

Publishers' Licensing Services Limited

DETAILED INCOME AND EXPENDITURE ACCOUNT

31 March 2018

NOT FOR PUBLICATION



Publishers' Licensing Services Limited
DETAILED INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 March 2018

Income	2018	2017
	£	£
Copyright fees received from The Copyright Licensing Agency Limited		
- UK	27,020,958	25,759,373
- Foreign (Title-specific)	1,789,920	1,281,755
- Foreign (Title non-specific)	4,462,730	3,129,954
	<u>33,273,608</u>	<u>30,171,081</u>
Copyright fees received from NLA media access limited - UK	5,036,399	4,864,633
Public Lending Right fees		
- Foreign (Title-specific)	29,800	22,866
	<u>38,339,807</u>	<u>35,058,580</u>
Distributable to rightsholders	<u>(36,073,171)</u>	<u>(32,916,360)</u>
Subventions retained	2,266,636	2,142,220
Interest receivable	26,342	43,998
PLS Permissions Income	26,130	18,778
Income from Joint Venture	1,021	16,193
	<u>2,320,129</u>	<u>2,221,188</u>
Expenditure		
Salaries and benefits	986,393	970,888
Temps & recruitment	19,971	29,989
Staff training	8,513	22,258
Hr costs – other	3,098	28,516
Governance Fees	115,000	105,000
Consultancy	19,364	40,163
Premises	168,398	127,921
General office costs	13,107	16,708
It running costs	188,392	174,086
Insurance	13,747	13,711
Travel & entertainment	32,170	46,351
Communication costs	95,227	92,217
Membership subscriptions	30,229	22,610
Project funding	14,993	3,665
Data & Distribution costs	14,260	11,457
Legal fees	20,193	37,748
Audit & accountancy	90,150	64,006
Industry Services	169,365	212,754
Bank charges	4,836	4,608
Sundries	2,794	1,692
Depreciation	209,481	190,956
PLS Permissions	57,927	83,814
	<u>(2,277,608)</u>	<u>(2,301,119)</u>
Surplus/(Deficit) on ordinary activities before taxation	<u>42,522</u>	<u>(79,930)</u>