

Publishers' Licensing Services Limited

REPORT AND FINANCIAL STATEMENTS

31 March 2019

Company Registration No. 01575236

Publishers' Licensing Services Limited

DIRECTORS' REPORT

The directors present their report and statement of accounts for the year ended 31 March 2019.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the Publishers' Licensing Services Limited (PLS) is to represent the interests of publishers in the collective management of their rights and to distribute collective licensing revenue to publishers. 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 3,951 (2018: 3,857) 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:

- a) 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 Picture Industry Collecting Society for Effective Licensing (PICSEL).
- b) NLA media access (NLA), 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 collective licensing income for the year of £40.5 million (2018: £38.3 million) from the following sources:

- CLA: £35,236,291 (being the publishers' share of CLA revenues).
- NLA: £5,268,829 (being the publishers', authors' and visual artists' share of NLA revenues).

Other income for the year included:

- Stichting Reprrecht for public lending rights: £41,078 (being the publishers' share of such revenues).
- PLS Permissions generated gross revenue of £213,446 (being the publishers' share of such revenues).

	2017/18	2018/19	% change
	£	£	
Collective Licensing			
CLA			
Education	13,610,708	13,884,862	2.0%
Business	10,430,261	11,881,044	13.9%
Government	1,477,251	1,651,674	11.8%
NHS	1,219,155	1,198,055	(1.7%)
Document delivery	115,621	140,317	21.4%
Media monitoring	167,963	178,734	6.4%
Foreign	6,252,649	6,301,605	0.8%
CLA Total	33,273,608	35,236,291	5.9%
NLA media access	5,036,399	5,268,829	4.6%
	38,310,007	40,505,120	5.7%
Other income			
PLR (Netherlands)	29,800	41,078	37.8%
PLS Permissions	115,220	213,446	85.3%
Total	38,455,027	40,759,644	6.0%

Publishers' Licensing Services Limited

DIRECTORS' REPORT

DISTRIBUTIONS

Distributable revenue was £38m (2018: £36m), 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 received by PLS from CLA and Stichting Reprerecht was allocated and distributed to publishers. CLA deducts the shares payable to authors and visual artists before distribution to PLS.

The distributable revenue received by PLS from NLA included the shares payable to authors and visual artists. In accordance with the decision in the valuation, effective 1 January 2016, and as reflected in the Distribution Charter, PLS allocated the shares due to authors (17.5%) and visual artists (10%) for payment to ALCS and to DACS and PICSEL respectively prior to distributing NLA revenues to publishers.

A small part of the monies PLS receives from CLA is 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 153 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 over 3,000 public libraries across the UK.

The **PLS Permissions** service, launched in May 2017, had 111 publishers signed up to it by the end of the financial year. 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. They can alternatively outsource the management of their permissions to PLS using PLS Permissions Assist. PLS charges a modest handling fee on paid for licences only towards covering its costs. PLS earned fees of £20,725 during the year. Authors and editors requiring permission to use extracts can use the free PLS Permissions Request service.

PUBLISHER ENGAGEMENT

In addition to regular meetings with individual publishers throughout the year and attendance at key industry conferences and events:

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

PLS's stands at both the London and Frankfurt Book Fairs, hosted in partnership with CLA, were heavily used, allowing for meetings with over 200 publishers.

The introductory sessions on collective licensing, webinars and permissions and rights management workshops attracted some 290 publishers.

Over 180 Publishers registered for the annual Rights and Licensing Forum held in July at the Stationers' Hall.

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.

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 as appropriate. PLS strives to ensure that all new initiatives complement and support publishers' businesses.

Publishers' Licensing Services Limited

DIRECTORS' REPORT

CLA withdrew its application for extended collective licensing (ECL), for which PLS had garnered publishers' support, pending the outcome of the draft DSM Copyright Directive which was addressing ECL.

PLS, together with CLA, ALCS and the Educational Recording Agency, moved during the year to new premises in London Bridge. These office sharing arrangements have proved to be very successful and have enabled and encouraged increased collaboration.

PLS continues to outsource its finance, human resources and project management requirements to CLA.

COPYRIGHT

PLS has continued to work in partnership with its trade association members, and also with CLA and all its members, to defend the copyright interests of publishers in the passage of the draft DSM Copyright Directive including in particular in education licensing and the right for publishers to share in European levy monies.

PLS continues to support and work closely with the Copyright Hub Foundation. Publishers signed up to PLS are starting to sign up to the Copyright Hub and are finding that this is driving up permissions requests which are then handled by the PLS Permissions service.

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 compliant 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 9.

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 2018:

M Bide – Chairman until 31.5.19 (resigned 31.05.2019)	N A M D Service (PPA) B C Shine (IPG)
R Glazebrook – Chairman from 01.06.2019 (appointed 01.04.2019)	W C Sime (ALPSP) (appointed 27.11.2018) E J Tribe (PA)
S M Faulder – Chief Executive	T J L Williams (IPG)
D M Dixon (ALPSP) (appointed 20.09.2018)	H J Wilson (PPA)
O E Gadsby (IPG)	T E Wright (ALPSP)
J A Holton (ALPSP) (resigned 31.03.2018)	A C R Yeates (PPA)
S A Lotinga (PA)	
M P Majurey (PA)	
A I McCulloch (ALPSP) (resigned 22.10.2018)	

Publishers' Licensing Services Limited

DIRECTORS' REPORT

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.

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 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 companies exemptions.

On behalf of the board,



S M FAULDER
Director

Registered Office:
Shackleton House 5th floor
4 Battle Bridge Lane
SE1 2HX

 June 2019

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 AUDITOR'S REPORT TO THE MEMBERS OF PUBLISHERS' LICENSING SERVICES LIMITED

Opinion

We have audited the financial statements of Publishers' Licensing Services Limited (the 'company') for the year ended 31 March 2019 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 2019 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 AUDITOR'S REPORT TO THE MEMBERS OF PUBLISHERS' LICENSING SERVICES LIMITED

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 AUDITOR'S REPORT TO THE MEMBERS OF PUBLISHERS' LICENSING SERVICES LIMITED

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.

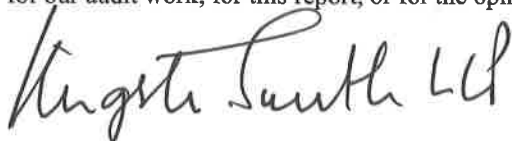
As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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

24 June 2019

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 2019

Company number: 01575236

	<i>Note</i>	2019	<i>As restated</i>
		£	2018
			£
COPYRIGHT FEES RECEIVED		40,759,644	38,455,027
Distributable to rightsholders		(38,286,937)	(36,162,260)
TURNOVER		<u>2,472,707</u>	<u>2,292,767</u>
Income from Joint Venture	4	-	1,021
Administrative expenses		(2,472,784)	(2,277,608)
OPERATING (DEFICIT)/PROFIT	2	<u>(77)</u>	<u>16,180</u>
Interest receivable	15	20,703	26,342
SURPLUS BEFORE TAXATION		<u>20,626</u>	<u>42,522</u>
Taxation	3	(12,672)	(13,857)
SURPLUS FOR THE YEAR		<u>7,954</u>	<u>28,665</u>
RETAINED EARNINGS BROUGHT FORWARD		551,793	523,128
RETAINED EARNINGS CARRIED FORWARD		<u><u>559,747</u></u>	<u><u>551,793</u></u>

Publishers' Licensing Services Limited

Statement of Financial Position
for the year ended 31 March 2019

Company number: 01575236

	<i>Note</i>	2019	2018
		£	£
Non-current assets			
Fixed assets			
Tangible assets	6	77,159	34,246
Intangible assets	7	151,338	240,567
Investment in Joint Venture	8	5	5
		<u>228,502</u>	<u>274,818</u>
Current assets			
Debtors			
Short term bank deposits	9	1,520,445	1,386,378
Cash at bank and in hand		4,856,114	3,844,035
		2,699,785	4,103,927
		<u>9,076,344</u>	<u>9,344,340</u>
Creditors: amounts falling due within one year	10	(8,719,939)	(9,045,747)
		<u>356,405</u>	<u>297,593</u>
Net current assets			
PROVISIONS FOR LIABILITIES	11	(25,160)	(23,618)
TOTAL ASSETS LESS CURRENT LIABILITIES AND NET ASSETS		<u>559,747</u>	<u>551,793</u>
CAPITAL AND RESERVES			
Profit and Loss Account		<u>559,747</u>	<u>551,793</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 2019.



R Glazebrook
Director

Publishers' Licensing Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

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.

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. The company recognises the revenue as it becomes legally entitled to it once it is distributed to publishers. Turnover also includes income received from PLS Permissions service. The income is recognised once the permission fees have been received.

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 on a monthly basis, 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 2019

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 is recognised in profit or loss.

Publishers' Licensing Services Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

2	OPERATING (DEFICIT)/ SURPLUS	2019	2018
		£	£
	The operating (deficit)/surplus is arrived at after charging:		
	Auditor's remuneration		
	- audit services	15,975	15,500
	- other services	9,260	9,000
	Depreciation	24,256	23,114
	Amortisation	163,830	186,367
3	TAXATION	2019	2018
		£	£
	a) Current tax		
	UK Corporation tax at 19% (2018: 19%)	9,943	24,749
	Adjustment in respect of prior periods	(1,813)	-
		8,130	24,749
	Deferred tax		
	Origination and reversal of timing differences	4,542	15,783
	Effect of tax rate change on opening balance	-	(4,891)
	Total deferred tax charge/(credit)	4,542	(10,892)
	Tax on surplus	12,672	13,857
	b) Factors affecting the tax charge for the year		
	Surplus before taxation	20,626	42,522
	Surplus multiplied by the standard rate of UK corporation tax of 19% (2018: 19%)	3,919	8,079
	Effects of:		
	Expenses not deductible for tax purposes	2,484	333
	Difference between depreciation and capital allowances	(25)	(25)
	Effect of change in corporation tax rate	-	4,891
	Depreciation on assets not qualifying for tax allowances	507	170
	Adjustment in respect of prior periods	5,787	409
	Taxation charge	12,672	13,857

Publishers' Licensing Services Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

4	INCOME FROM JOINT VENTURE		
		2019	2018
		£	£
	Software licensing fees	-	1,021
		<u>-</u>	<u>1,021</u>
5	STAFF COSTS		
		2019	2018
		£	£
	Wages and salaries	861,231	823,969
	Social security costs	86,002	79,966
	Other pension costs	98,544	69,936
		<u>1,045,777</u>	<u>973,871</u>
		2019	2018
		£	£
	Directors' remuneration		
	Emoluments	174,794	182,812
	Pension costs	31,597	17,147
		<u>206,391</u>	<u>199,959</u>

The highest paid director of the company received emoluments of and defined contribution of £139,794 (2018: £147,275) and pension contributions of £31,597 (2018: 17,147)

One director is accruing pension benefits under a defined pension scheme (2018: one).

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

	2019	2018
	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 2019

6 TANGIBLE FIXED ASSETS

	Property improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 April 2018	58,118	26,354	30,555	115,027
Additions	41,180	12,881	13,109	67,170
Disposals	(58,118)	-	(27,425)	(85,543)
At 31 March 2019	41,180	39,235	16,239	96,654
Depreciation				
At 1 April 2018	45,665	6,964	28,153	80,782
Charge for year	15,748	4,280	4,228	24,256
Disposals	(58,118)	-	(27,425)	(85,543)
At 31 March 2019	3,295	11,244	4,956	19,495
Net book amounts				
At 31 March 2019	37,885	27,991	11,283	77,159
At 31 March 2018	12,453	19,390	2,402	34,246

7 INTANGIBLE FIXED ASSETS

	Computer software £	Assets under construction £	Total £
Cost			
At 1 April 2018	1,338,835	20,295	1,359,130
Additions	74,601	-	74,601
Transfer	20,295	(20,295)	-
At 31 March 2019	1,433,731	-	1,433,731
Amortisation			
At 1 April 2018	1,118,563	-	1,118,563
Charge for year	163,830	-	163,830
At 31 March 2019	1,282,393	-	1,282,393
Net book amounts			
At 31 March 2019	151,338	-	151,338
At 31 March 2018	220,272	20,295	240,567

Publishers' Licensing Services Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

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.

	2019	2018
	£	£
Investment in Joint Venture	5	5
	<u>5</u>	<u>5</u>

9 DEBTORS

	2019	2018
	£	£
Trade debtors	1,361,909	1,259,913
Sundry debtors	20,895	24,150
Prepayments and accrued income	137,641	102,315
	<u>1,520,445</u>	<u>1,386,378</u>

10 CREDITORS

	2019	2018
	£	£
Amounts falling due within one year		
Publishers' fees	6,815,359	7,194,143
Other taxation and social security	563,281	450,387
Trade Creditors	6,228	130,342
Accruals	559,069	543,936
Contributors' fees	776,002	727,939
	<u>8,719,939</u>	<u>9,046,747</u>

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11 PROVISIONS FOR LIABILITIES

	2019	2018
	£	£
Deferred taxation calculated at a corporation tax rate of 19% (2018: 19%)		
Fixed asset timing differences	27,743	37,718
Short term timing differences	(2,583)	(17,100)
	<u>25,160</u>	<u>20,618</u>

12 SHARE CAPITAL

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

13 RELATED PARTIES

M Bide, A McCulloch, S Lotinga, N Service and Lis Tribe served as 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 IPG were each paid governance fees of £30,900, ALPSP was paid £30,925 (2018: £30,000 IPG £25,000).

Fees totalling £168,227 (2018: £169,365) were paid to PA, PPA, ALPSP and IPG for sponsorship and services provided.

The company was charged £73,966 (2018: £52,883) for Finance services, £19,339 (2018: £24,214) for HR Services, £37,800 (2018: £1,153) for project management services and £356,582 (2018: £144,352) for premises and office related costs by CLA. As at 31 March 2019 CLA had an accounts payable balance of £55,352 (2018: £95,295) and accounts receivable balance of £59,668 (2018: £6,044).

The company charged £49,062 (2018: £14,042) to CLA for Staff and Exhibition costs, £Nil (2018: £1,033) to PA and £Nil (2018: £1,298) to ALCS for sundry services. At 31 March 2019 £960 (2018: £960) was outstanding from PA.

The company received software licence fees of £Nil (2018: £1,021) and interest of £Nil (2018: £17,286) from Fetter investments. At 31 March 2019 the amount due from Fetter was £1,693 (2018: £17,214).

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14 **PROPERTY COMMITMENTS**

The estimated future minimum payments under a non-cancellable rental licence agreement which varies according to head count for current premises Shackleton House 5th floor, 4 Battle Bridge Lane (2018 – Barnard's Inn, 86 Fetter Lane, EC4A 1EN) are as follows:

	2019	2018
	£	£
Amounts due:		
Within one year	60,000	54,361
Between one and five years	230,000	-
Greater than 5 years	-	-
	<u>290,000</u>	<u>54,361</u>

15 **INTEREST RECEIVABLE**

Interest was earned from the following sources:

	2019	2018
	£	£
Bank	20,703	9,056
Related Party - Fetter Investments Limited	-	17,286
	<u>20,703</u>	<u>26,342</u>

16 **RESTATEMENT OF COMPARATIVES**

The 2019 results include the gross PLS Permissions revenue in Copyright fees received to better reflect the nature of the trading activity. In 2018, PLS Permissions revenue was shown net. The 2018 comparatives for Copyright fees and Distributable to rights holders have been restated to disclose the gross amounts. The adjustment has increased the Copyright fees received by £89,090 and increased Distributable to rights holders by £89,090. There is no resulting impact on the Statement of Financial position.