

Publishers' Licensing Services Limited

REPORT AND FINANCIAL STATEMENTS

31 March 2020

Company Registration No. 01575236

Publishers' Licensing Services Limited

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Publishers' Licensing Services Limited

DIRECTORS' REPORT

The directors present their report and statement of accounts for the year ended 31 March 2020.

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.

The national emergency caused by COVID-19 began in the final month of the financial year. Staff immediately transitioned to working from home without any interruption to business. Whilst there was no financial impact on the business and on distributions to publishers in the financial year, the longer-term impact on revenues is being kept under review and appropriate reductions in expenditure will be made as and when required.

PUBLISHERS AUTHORISING PLS TO MANAGE THEIR COLLECTIVE LICENSING RIGHTS

PLS held active Accounts for 4,085 (2019: 3,951) 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.

REVENUE

PLS received collective licensing revenue for the year of £40.4m (2019: £40.5m) from the following sources:

- CLA: £35,101,450 (being the publishers' share of CLA revenues) and
- NLA: £5,320,854 (being the publishers', authors' and visual artists' share of NLA revenues).

Other sources of revenue for the year included:

- Stichting Reprorecht for publishers' public lending rights in the Netherlands: £7,094 and
- PLS Permissions: generated gross revenues for publishers of £561,746.

Publishers' Licensing Services Limited

DIRECTORS' REPORT

	2019/20	2018/19	% change
	£	£	
Collective Licensing			
CLA			
Education	13,823,652	13,884,862	(0.4%)
Business	12,172,881	11,881,044	2.5%
Government	1,448,354	1,651,674	(12.3%)
NHS	1,099,256	1,198,055	(8.2%)
Document delivery	122,434	140,317	(12.7%)
Media monitoring	235,023	178,734	31.5%
Foreign	6,199,851	6,301,605	(1.6%)
CLA Total	35,101,451	35,236,291	(0.4%)
NLA media access	5,320,854	5,268,829	1.0%
	40,422,305	40,505,120	(0.2%)
Other revenue			
PLR (Netherlands)	7,094	41,078	(82.7%)
PLS Permissions	561,746	213,446	163.2%
Total	40,991,145	40,759,644	0.6%

DISTRIBUTIONS

Distributable collective licensing revenue was £38.6m (2019: £38.3m), 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 Reprorecht 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 use of 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. As a result of this work, 158 new publishers have signed up to PLS during the year.

PLS SERVICES

The **PLS Permissions** service generated a growing revenue stream for publishers. The service offers publishers a choice of managing their own permissions more efficiently through PLS Permissions Direct or outsourcing the management of their permissions to PLS using PLS Permissions Assist. Whilst the service enables both paid for licences and free of charge licences, PLS charges a handling fee on paid for licences only towards covering its costs. Increasing numbers of permissions requests are flowing through the free to use PLS Permissions Request service from authors and editors.

PLS continued to operate the free to use **Access to Research** service throughout the year. Some 98% of local authorities are now signed up to the service and making it available in over 3,200 public libraries across the UK. The service currently provides free online access to over 30 million academic articles.

Publishers' Licensing Services Limited

DIRECTORS' REPORT

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, both in person and online, on various licensing initiatives proposed by CLA and NLA.

PLS's stand at the Frankfurt Book Fair, hosted in partnership with CLA, was used to host multiple meetings with publishers. Following the cancellation of the 2020 London Book Fair on account of COVID-19, meetings were held with publishers either at the PLS offices or virtually, in lieu of on our stand.

PLS's introductory sessions on collective licensing, webinars and permissions and rights management workshops were well attended. The PLS Annual Rights and Licensing Forum, held in July at the Stationers' Hall attracted a large audience of publishers.

PLS sponsored various relevant conferences, events and publications and undertook speaking engagements to raise awareness and understanding of PLS and its collective licensing and permissions services.

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.

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

COPYRIGHT

PLS works in partnership with its trade association members, and also with CLA and all its members, to support the copyright interests of publishers. Following adoption of European DSM Copyright Directive early in the year and the Government's indications that it has no plans to implement the same, due to the fact that the transition period for Brexit is expected to have ended before the due date for implementation of the Directive in June 2021, the focus has been on defending the current UK copyright framework against any weakening in the course of the Government's negotiation of trade agreements.

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 Regulations.

PLS staff continue to work in accordance with the PLS Code of Conduct. 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)

Publishers' Licensing Services Limited

DIRECTORS' REPORT

RESULTS

The result for the year is shown in the Income Statement on page 9.

DIRECTORS

Up to three directors are nominated by each of the members and approved by the Board. The Chair 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 2019:

M Bide – Chair (Retired 31.05.2019)	NAMD Service (PPA)
SM Faulder – Chief Executive	BC Shine (IPG)
DM Dixon (ALPSP)	WC Sime (ALPSP)
OE Gadsby (IPG)	EJ Tribe (PA)
RP Glazebrook, Chair (appointed 01.04.2019)	TJL Williams (IPG)
SA Lotinga (PA)	HJ Wilson (PPA) (resigned 04.06.2019)
MP Majurey (PA)	TE Wright (ALPSP)
OL Meredith (PPA) (appointed 04.06.19)	ACR Yeates (PPA)

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

Moore 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



SM FAULDER
Director

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

15th September 2020

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 2020 which comprise the Income Statement, 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 2020 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 Moore Kingston Smith LLP

24 September 2020

Chartered Accountants
Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Publishers' Licensing Services Limited
INCOME STATEMENT
for the year ended 31 March 2020

Company number: 01575236

	<i>Note</i>	2020 £	2019 £
COPYRIGHT FEES RECEIVED		40,991,145	40,759,644
Distributable to rightsholders		(38,632,518)	(38,286,937)
TURNOVER		<u>2,358,627</u>	<u>2,472,707</u>
Administrative expenses		(2,236,483)	(2,472,784)
OPERATING SURPLUS / (DEFICIT)	2	<u>122,144</u>	<u>(77)</u>
Interest receivable	14	72,354	20,703
SURPLUS BEFORE TAXATION		<u>194,498</u>	<u>20,626</u>
Taxation	3	(39,625)	(12,672)
SURPLUS FOR THE YEAR		<u><u>154,873</u></u>	<u><u>7,954</u></u>

Publishers' Licensing Services Limited
STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2020

Company number: 01575236

	<i>Note</i>	2020	2019
		£	£
Non-current assets			
Fixed assets			
Tangible assets	5	60,732	77,159
Intangible assets	6	108,137	151,338
Investment in Joint Venture	7	5	5
		<u>168,874</u>	<u>228,502</u>
Current assets			
Debtors	8	1,429,146	1,520,445
Short term bank deposits		4,268,694	4,856,114
Cash at bank and in hand		4,596,611	2,699,785
		<u>10,294,451</u>	<u>9,076,344</u>
Creditors: amounts falling due within one year	9	(9,730,129)	(8,719,939)
		<u>564,322</u>	<u>356,405</u>
Net current assets		564,322	356,405
PROVISIONS FOR LIABILITIES	10	(18,576)	(25,160)
TOTAL NET ASSETS		<u>714,620</u>	<u>559,747</u>
CAPITAL AND RESERVES			
Profit and Loss Account		<u>714,620</u>	<u>559,747</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 15th September 2020.

Rorie Glazebrook

RP Glazebrook
Director

Publishers' Licensing Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

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 income as it becomes legally entitled to it once the revenue 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. The directors have specifically considered the impact of Covid-19 on the company's forecasts and are satisfied that the company is in a position to meet its liabilities as they fall due over the next twelve months from the date these financial statements are approved.

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

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 income for the period in which the contributions are due.

Publishers' Licensing Services Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

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 2020

2 OPERATING SURPLUS / (DEFICIT)

	2020	2019
	£	£
The operating surplus/ (deficit) is arrived at after charging:		
Auditor's remuneration		
- audit services	16,800	15,975
- other services	9,715	9,260
Depreciation	20,020	24,256
Amortisation	127,380	163,830

3 TAXATION

	2020	2019
	£	£
a) Current tax		
UK Corporation tax at 19% (2019: 19%)	46,209	9,943
Adjustment in respect of prior periods	-	(1,813)
	<u>46,209</u>	<u>8,130</u>
Deferred tax		
Origination and reversal of timing differences	(6,584)	4,542
Total deferred tax (credit)/ charge	<u>(6,584)</u>	<u>4,542</u>
Tax on surplus	<u><u>39,625</u></u>	<u><u>12,672</u></u>
b) Factors affecting the tax charge for the year		
Surplus before taxation	<u>194,498</u>	<u>20,626</u>
Surplus multiplied by the standard rate of UK corporation tax of 19% (2019: 19%)	36,955	3,919
Effects of:		
Expenses not deductible for tax purposes	1,516	2,484
Difference between depreciation and capital allowances	(25)	(25)
Depreciation on assets not qualifying for tax allowances	1,179	507
Adjustment in respect of prior periods	-	5,787
Taxation charge	<u><u>39,625</u></u>	<u><u>12,672</u></u>

Publishers' Licensing Services Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

4 STAFF COSTS

	2020	2019
	£	£
Wages and salaries	838,860	861,231
Social security costs	90,165	86,002
Other pension costs	82,935	98,544
	<u>1,011,960</u>	<u>1,045,777</u>
	2020	2019
	£	£
Directors' remuneration		
Emoluments	178,789	174,794
Pension costs	36,460	31,597
	<u>215,249</u>	<u>206,391</u>

The highest paid director of the company received emoluments of £143,789 (2019: £139,794) and pension contributions of £36,460 (2019: £31,597).

One director is accruing pension benefits under a defined pension scheme (2019: one).

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

	2020	2019
	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 2020

5 TANGIBLE FIXED ASSETS

	Property improvements	Fixtures and fittings	Computer equipment	Total
	£	£	£	£
Cost				
At 1 April 2019	41,180	39,235	16,239	96,654
Additions	-	-	3,593	3,593
At 31 March 2020	41,180	39,235	19,832	100,247
Depreciation				
At 1 April 2019	3,295	11,244	4,956	19,495
Charge for year	9,883	5,353	4,784	20,020
At 31 March 2020	13,178	16,597	9,740	39,515
Net book amounts				
At 31 March 2020	28,002	22,638	10,092	60,732
At 31 March 2019	37,885	27,991	11,283	77,159

6 INTANGIBLE FIXED ASSETS

	Computer software	Total
	£	£
Cost		
At 1 April 2019	1,433,731	1,433,731
Additions	84,179	84,179
At 31 March 2020	1,517,910	1,517,910
Amortisation		
At 1 April 2019	1,282,393	1,282,393
Charge for year	127,380	127,380
At 31 March 2020	1,409,773	1,409,773
Net book amounts		
At 31 March 2020	108,137	108,137
At 31 March 2019	151,338	151,338

Publishers' Licensing Services Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

7 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.

	2020	2019
	£	£
Investment in Joint Venture	5	5
	<u>5</u>	<u>5</u>

8 DEBTORS

	2020	2019
	£	£
Trade debtors	1,307,349	1,361,909
Sundry debtors	37,889	20,895
Prepayments and accrued income	83,908	137,641
	<u>1,429,146</u>	<u>1,520,445</u>

9 CREDITORS

	2020	Restated 2019
	£	£
Amounts falling due within one year:		
Publishers' fees	7,897,782	7,159,702
Other taxation and social security	747,062	563,281
Trade Creditors	31,408	6,228
Accruals	254,571	214,726
Contributors' fees	799,306	776,002
	<u>9,730,129</u>	<u>8,719,939</u>

The 2019 comparative figures have been restated to reflect improved reclassification of certain balances. This has resulted in a decrease in accruals of £344,343 and an increase to Publishers' fees of the same amount.

Publishers' Licensing Services Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

10 PROVISIONS FOR LIABILITIES

	2020	2019
	£	£
Deferred taxation calculated at a corporation tax rate of 19% (2019: 19%)		
Fixed asset timing differences	18,576	27,743
Short term timing differences	-	(2,583)
	<u>18,576</u>	<u>25,160</u>

11 SHARE CAPITAL

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

12 RELATED PARTIES

RP Glazebrook, SA Lotinga, NAMD Service and EJ Tribe served as directors of the Copyright Licensing Agency (CLA), from which the company received the majority of its copyright fee revenue, of which RP Glazebrook 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, IPG and ALPSP were each paid governance fees of £31,673 (2019: PA, PPA and IPG £30,900, ALPSP £30,925).

Fees totalling £177,263 (2019: £168,227) were paid to PA, PPA, ALPSP and IPG for sponsorship and services provided.

The company was charged £63,400 (2019: £73,966) for Finance services, £18,152 (2019: £19,339) for HR Services, £35,049 (2019: £37,800) for project management services and £92,485 (2019: £356,582) for premises and office related costs by CLA. The company charged £69,561 (2019: £49,062) to CLA for Staff and Exhibition costs. As at 31 March 2020 CLA had an accounts payable balance of £Nil (2019: £55,352) and accounts receivable balance of £26,569 (2019: £59,668).

At 31 March 2020 £960 (2019: £960) was outstanding from PA.

At 31 March 2020, the amount due from Fetter Investments was £1,531 (2019: £1,693).

Publishers' Licensing Services Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

13 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 are as follows:

	2020	2019
	£	£
Amounts due:		
Within one year	52,376	60,000
Between one and five years	96,285	230,000
Greater than 5 years	-	-
	<u>148,661</u>	<u>290,000</u>

14 INTEREST RECEIVABLE

Interest was earned from the following sources:

	2020	2019
	£	£
Bank	<u>72,354</u>	<u>20,703</u>
	<u>72,354</u>	<u>20,703</u>

Publishers' Licensing Services Limited

DETAILED INCOME AND EXPENDITURE ACCOUNT

31 March 2020

NOT FOR PUBLICATION

Publishers' Licensing Services Limited
DETAILED INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 March 2020

	2020	2019
	£	£
Income		
Copyright fees received from The Copyright Licensing Agency Limited		
- UK	28,901,601	28,934,686
- Foreign (Title-specific)	2,494,994	2,357,179
- Foreign (Title non-specific)	3,704,857	3,944,426
	<u>35,101,451</u>	<u>35,236,291</u>
Copyright fees received from NLA media access limited - UK	5,320,854	5,268,829
Public Lending Right fees		
- Foreign (Title-specific)	7,094	41,078
PLS Permissions	561,746	213,446
	<u>40,991,145</u>	<u>40,759,644</u>
Distributable to rightsholders	<u>(38,632,518)</u>	<u>(38,286,937)</u>
PLS Subventions	2,358,627	2,472,707
Interest receivable	72,354	20,703
	<u>2,430,981</u>	<u>2,493,410</u>
Expenditure		
Salaries and benefits	1,028,042	1,061,910
Temps & recruitment	23,850	43,631
Staff training	12,194	12,803
HR costs – other	23,520	14,505
Governance Fees	126,692	123,600
Consultancy	20,531	12,208
Premises	107,858	203,794
General office costs	16,208	22,042
IT running costs	261,852	242,574
Insurance	13,088	10,844
Travel & entertainment	46,781	61,637
Communication costs	91,651	121,634
Membership subscriptions	21,555	20,880
Project funding	4,475	455
Data & Distribution costs	29,283	36,632
Legal fees	2,437	8,890
Audit & accountancy	87,316	92,538
Industry Services	177,263	168,277
Bank charges	7,009	4,710
Sundries	5,411	3,201
Depreciation	147,400	188,086
Bad debts	(17,933)	17,933
	<u>2,236,483</u>	<u>2,472,784</u>
Surplus on ordinary activities before taxation	<u>194,498</u>	<u>20,626</u>