

Publishers' Licensing Services Limited

REPORT AND FINANCIAL STATEMENTS

31 March 2021

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 2021.

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 COVID-19 pandemic ran throughout the financial year but the business of PLS was able to continue without interruption. The full complement of staff continued to work from home whilst the physical offices were effectively closed. A cautious approach to costs during most of the year due to uncertainty about the likely financial impact of the pandemic on distributions to publishers, combined with the cancellation of all physical book fairs, conferences, events and travel, resulted in significant reduction in expenditure. In addition, savings were made due to a cut in discretionary spend in long-term IT infrastructure development, training and research and other projects benefiting publishers. This resulted in a larger than expected surplus for the year. The Board has agreed that the surplus should be held in reserves for the costs of the Rights Valuation Review due to take place over the next two consecutive financial years, 2021-22 and 2022-23. This should in turn limit the deductions that would otherwise need to be made from distributions to publishers over such period in order to meet these costs.

PUBLISHERS AUTHORISING PLS TO MANAGE THEIR COLLECTIVE LICENSING RIGHTS

PLS held active Accounts for 4,134 (2020: 4,085) 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 £40.5m (2020: £40.4m) from the following sources:

- CLA: £36,125,471 (being the publishers' share of CLA revenues) (2020: £35,101,451), and
- NLA: £4,338,846 (being the publishers', authors' and visual artists' share of NLA revenues). (2020: £5,320,854).

Other sources of revenue for the year included:

- Stichting Reprorecht for publishers' public lending rights in the Netherlands: £32,207 and
- PLS Permissions: generated gross revenues for publishers of £485,626.

Publishers' Licensing Services Limited

DIRECTORS' REPORT

	2020/21 £	2019/20 £	% change
Collective Licensing			
CLA			
Education	14,207,338	13,823,652	2.8%
Business	12,094,022	12,172,881	(0.6%)
Government	1,627,788	1,448,354	12.4%
NHS	1,125,073	1,099,256	2.3%
Document delivery	106,452	122,434	(13.1%)
Media monitoring	150,157	235,023	(36.1%)
Foreign	5,786,844	6,199,851	(6.7%)
CLA Excess Admin	1,027,797	-	0.0%
CLA Total	36,125,471	35,101,451	2.9%
NLA media access	4,338,846	5,320,854	(18.5%)
	40,464,317	40,422,305	0.1%
Other revenue			
PLR (Netherlands)	32,207	7,094	354.0%
PLS Permissions	485,626	561,746	(13.6%)
Total	40,982,150	40,991,145	(0.0%)

DISTRIBUTIONS

Distributable collective licensing revenue was £38.5m (2020: £38.5m), 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 Rights Valuation, effective 1 January 2016, and as reflected in the Distribution Charter, PLS paid the shares due to authors (17.5%) and visual artists (10%) to ALCS and to DACS and PICSEL respectively for onward distribution prior to distributing NLA revenues to publishers.

A small part (under 1.5% on average) 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. Largely as a result of this work, 79 new publishers signed up to PLS during the year.

PLS SERVICES

The **PLS Permissions** service offers publishers the means to manage their permissions more efficiently, whether themselves through PLS Permissions Direct or by outsourcing the management to PLS through PLS Permissions Assist. 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. Whilst a high volume of permissions requests flowed through the free to use PLS Permissions Request service from authors and editors revenues from permissions were down on the previous year.

PLS's free to use **Access to Research** was inactive for large parts of the year due to the closure of public libraries. The service was adapted to the click & collect operations of some libraries and in some cases publishers responded directly to individual requests for copies of academic articles from library users unable to leave their homes.

Publishers' Licensing Services Limited

DIRECTORS' REPORT

PUBLISHER ENGAGEMENT

Following the cancellation of all book fairs, live conferences and events during the year PLS held virtual meetings instead with publishers. These were well received and the flexibility allowed for more meetings to be scheduled than is usual within the constraints of book fairs.

In addition PLS held four emergency online consultations at which publishers responded favourably to requests from schools and universities for extensions to the CLA education licence to facilitate remote access to educational materials during lockdowns, notwithstanding the challenges that publishers themselves were facing as a result of the pandemic.

PLS continued to host introductory sessions on collective licensing, webinars on permissions and rights management workshops. The PLS Annual Rights and Licensing Forum was held virtually and later than usual, in September.

PLS sponsored various relevant online conferences and events intended 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 continues to work in partnership with its trade association members, and also with CLA and all its members, to support the copyright interests of publishers. Following the UK's departure from the European Union, the focus is all the more 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 10.

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 2020:

RP Glazebrook, Chair	NAMD Service (PPA)
SM Faulder – Chief Executive	BC Shine (IPG)
DM Dixon (ALPSP)	WC Sime (ALPSP)
OE Gadsby (IPG)	EJ Tribe (PA)
SA Lotinga (PA)	TJL Williams (IPG)
MP Majurey (PA)	TE Wright (ALPSP)
OL Meredith (PPA)*	ACR Yeates (PPA)

*Resigned 31 May 2021

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

10th June 2021

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 for the year ended 31 March 2021 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 2021 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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

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

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

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

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.

Publishers' Licensing Services Limited
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PUBLISHERS'
LICENSING SERVICES LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters 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 from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit.

Publishers' Licensing Services Limited

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

However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, UK taxation legislation and the Collective Management of Copyright (EU Directive) Regulations 2016
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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 for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To

Publishers' Licensing Services Limited
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PUBLISHERS'
LICENSING SERVICES LIMITED

the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

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

21 June 2021

Devonshire House
60 Goswell Road
London
EC1M 7AD

Publishers' Licensing Services Limited
INCOME STATEMENT
for the year ended 31 March 2021

Company number: 01575236

	<i>Note</i>	2021	2020
		£	£
COPYRIGHT FEES RECEIVED		40,982,150	40,991,145
Distributable to rightsholders		(38,530,554)	(38,632,518)
TURNOVER		<u>2,451,596</u>	<u>2,358,627</u>
Administrative expenses		(2,338,138)	(2,236,483)
OPERATING SURPLUS		<u>113,458</u>	<u>122,144</u>
Interest receivable		19,129	72,354
SURPLUS BEFORE TAXATION		<u>132,587</u>	<u>194,498</u>
Taxation	3	(28,452)	(39,625)
SURPLUS FOR THE YEAR		<u><u>104,135</u></u>	<u><u>154,873</u></u>

Publishers' Licensing Services Limited
STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2021

Company number: 01575236

	<i>Note</i>	2021 £	2020 £
Non-current assets			
Fixed assets			
Tangible assets	5	44,791	60,732
Intangible assets	6	159,063	108,137
Investment in Joint Venture	7	5	5
		<u>203,859</u>	<u>168,874</u>
Current assets			
Debtors	8	1,418,364	1,429,146
Short term bank deposits		4,268,694	4,268,694
Cash at bank and in hand		4,684,136	4,596,611
		<u>10,371,194</u>	<u>10,294,451</u>
Creditors: amounts falling due within one year	9	(9,728,219)	(9,730,129)
Net current assets		<u>642,975</u>	<u>564,322</u>
PROVISIONS FOR LIABILITIES	10	(28,079)	(18,576)
TOTAL NET ASSETS		<u>818,755</u>	<u>714,620</u>
CAPITAL AND RESERVES			
RETAINED EARNINGS BROUGHT FORWARD		714,620	559,747
SURPLUS FOR THE YEAR		104,135	154,873
RETAINED EARNINGS CARRIED FORWARD		<u>818,755</u>	<u>714,620</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 10th June 2021.

Rosie Glazebrook

RP Glazebrook
Director

Publishers' Licensing Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

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 ongoing 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 2021

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 2021

2 OPERATING SURPLUS

	2021	2020
	£	£
The operating surplus is arrived at after charging:		
Auditor's remuneration		
- audit services	17,910	16,800
- other services	9,920	9,715
Depreciation	22,200	20,020
Amortisation	79,928	127,380

3 TAXATION

	2021	2020
	£	£
a) Current tax		
UK Corporation tax at 19% (2020: 19%)	19,551	46,209
Adjustment in respect of prior periods	<u>(602)</u>	<u>-</u>
	18,949	46,209
Deferred tax		
Origination and reversal of timing differences	<u>9,503</u>	<u>(6,584)</u>
Total deferred tax charge/(credit)	<u>9,503</u>	<u>(6,584)</u>
Tax on surplus	<u><u>28,452</u></u>	<u><u>39,625</u></u>
b) Factors affecting the tax charge for the year		
Surplus before taxation	<u>132,587</u>	<u>194,498</u>
Surplus multiplied by the standard rate of UK corporation tax of 19% (2020: 19%)	25,192	36,955
Effects of:		
Expenses not deductible for tax purposes	2,106	1,516
Difference between depreciation and capital allowances	(25)	(25)
Depreciation on assets not qualifying for tax allowances	1,154	1,179
Adjustment in respect of prior periods	<u>25</u>	<u>-</u>
Taxation charge	<u><u>28,452</u></u>	<u><u>39,625</u></u>

Publishers' Licensing Services Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

4 STAFF COSTS

	2021	2020
	£	£
Wages and salaries	851,925	838,860
Social security costs	88,745	90,165
Other pension costs	87,996	82,935
	<u>1,028,666</u>	<u>1,011,960</u>
	2021	2020
	£	£
Directors' remuneration		
Emoluments	155,618	178,789
Pension costs	31,269	36,460
	<u>186,887</u>	<u>215,249</u>

The highest paid director of the company received emoluments of £120,268 (2020: £143,789) and pension contributions of £31,269 (2020: £36,460).

One director is accruing pension benefits under a defined contribution pension scheme (2020: one).

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

	2021	2020
	Number	Number
Management and administration	<u>17</u>	<u>16</u>

Publishers' Licensing Services Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

5 TANGIBLE FIXED ASSETS

	Property improvements	Fixtures and fittings	Computer equipment	Total
	£	£	£	£
Cost				
At 1 April 2020	41,180	39,235	19,832	100,247
Additions	-	-	6,259	6,259
At 31 March 2021	41,180	39,235	26,091	106,506
Depreciation				
At 1 April 2020	13,178	16,597	9,740	39,515
Charge for year	9,883	5,353	6,964	22,200
At 31 March 2021	23,061	21,950	16,704	61,715
Net book amounts				
At 31 March 2021	18,119	17,285	9,387	44,791
At 31 March 2020	28,002	22,638	10,092	60,732

6 INTANGIBLE FIXED ASSETS

	Computer software	Total
	£	£
Cost		
At 1 April 2020	1,517,910	1,517,910
Additions	130,854	130,854
At 31 March 2021	1,648,764	1,648,764
Amortisation		
At 1 April 2020	1,409,773	1,409,773
Charge for year	79,928	79,928
At 31 March 2021	1,489,701	1,489,701
Net book amounts		
At 31 March 2021	159,063	159,063
At 31 March 2020	108,137	108,137

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7 INVESTMENT IN JOINT VENTURE

ALCS and PLS agreed in 2015 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.

	2021	2020
	£	£
Investment in Joint Venture	5	5
	<u>5</u>	<u>5</u>

8 DEBTORS

	2021	2020
	£	£
Trade debtors	1,326,728	1,307,349
Sundry debtors	10,165	37,889
Prepayments and accrued income	81,471	83,908
	<u>1,418,364</u>	<u>1,429,146</u>

9 CREDITORS

	2021	2020
	£	£
Amounts falling due within one year:		
Publishers' fees	7,640,153	7,897,782
Other taxation and social security	583,561	747,062
Trade Creditors	570,583	31,408
Accruals	245,295	254,571
Other Creditors	9,096	-
Contributors' fees	679,530	799,306
	<u>9,728,219</u>	<u>9,730,129</u>

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10 PROVISIONS FOR LIABILITIES

	2021	2020
	£	£
Deferred taxation calculated at a corporation tax rate of 19% (2020: 19%)		
Fixed asset timing differences	29,174	18,576
Short term timing differences	(1,095)	-
	<u>28,079</u>	<u>18,576</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 £32,307 (2020: PA, PPA, IPG and ALPSP £31,673).

Fees totalling £282,840 (2020: £177,263) were paid to PA, PPA, ALPSP and IPG for sponsorship and services provided.

The company was charged £92,915 (2020: £63,400) for Finance services, £18,523 (2020: £18,152) for HR Services, £32,151 (2020: £35,049) for project management services and £90,337 (2020: £92,485) for premises and office related costs by CLA. The company charged £39,645 (2020: £69,561) to CLA for Staff and Exhibition costs. As at 31 March 2021 CLA had an accounts payable balance of £85,244 (2020: £Nil) and accounts receivable balance of £16,374 (2020: £26,569).

At 31 March 2021 £960 (2020: £960) was outstanding from PA.

At 31 March 2021, the amount due from Fetter Investments was £1,499 (2020: £1,531).

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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:

	2021	2020
	£	£
Amounts due:		
Within one year	57,994	52,376
Between one and five years	48,985	96,285
	<u>106,979</u>	<u>148,661</u>

14 INTEREST RECEIVABLE

Interest was earned from the following sources:

	2021	2020
	£	£
Bank	19,129	72,354
	<u>19,129</u>	<u>72,354</u>