

The Newspaper Licensing Agency Limited

FINANCIAL STATEMENTS

for the year ended

31 December 2012

The Newspaper Licensing Agency Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D G R Morgan
M S Ellice
A C Parker
S G Cassidy
R Hahn
Z R Leonard
C E H Collier-Wright
K Morgan
A Nash
S Hanbury
D Pugh
B MacArthur
B McCarthy
P R Withey

SECRETARY

A J Moore

REGISTERED OFFICE

Wellington Gate
7-9 Church Road
Tunbridge Wells
Kent TN1 1NL

AUDITORS

Baker Tilly UK Audit LLP
Hanover House
18 Mount Ephraim Road
Tunbridge Wells
Kent TN1 1ED

The Newspaper Licensing Agency Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of The Newspaper Licensing Agency Limited for the year ended 31 December 2012.

PRINCIPAL ACTIVITY

The Newspaper Licensing Agency Limited represents the intellectual property rights of the most respected newspapers in the UK – 1,350 print titles and 1,030 web titles – in the media monitoring market. The company also operates a database holding over 35 million daily news articles. Through licensing and the provision of database services, the NLA enables businesses to access the newspaper content they need in the most effective and compliant way.

REVIEW OF BUSINESS

The following information is given in accordance with section 417 of the Companies Act 2006.

a. Review of the business

The Newspaper Licensing Agency Limited holds mandates from all national newspaper publishers, most regional newspaper publishers and several foreign copyright licensing societies to collect the copyright royalties for the reproduction of their newspaper (print and web) content. It does this by licensing organisations that reproduce newspaper content: media monitoring organisations (press and web cuttings agencies), public relations consultancies, public bodies and companies that monitor press media coverage. The NLA charges a fee for its licences, based on the type and volume of reproduction and the size of the organisation; it retains a percentage of the licence fee to cover its administration costs and pays the balance to the publishers. Although the 'secondary publishing' rights can also be directly obtained from publishers, the NLA is the only newspaper royalty collection body in the UK, providing a convenient licensing service for publishers and users of content. The NLA also operates a searchable digital database of newspaper content - the eClips database - which receives content directly from newspaper publishers and makes it available to media monitoring organisations to create press cuttings services for their clients. It is estimated that eClips now provides over 90% of the clips served to UK-based MMO clients through 14 agencies in the UK; with international clients also receiving the content through the eClips International service now serving 20 agencies around the world.

b. Development and performance of the business during the financial year

The licence base grew during the year, despite the continued economic downturn on business growth. Although there was a significant cost of legal actions in the Court of Appeal and Copyright Tribunal concerning licensing of newspaper publishers' web content, net royalties paid to publishers were 11% higher than in 2011.

In January 2010, the NLA introduced web-content licences for media monitoring organisations, and their clients, to enable them to make use of newspaper web-published content in their businesses. Charging for the new licences was suspended, pending the outcome of legal cases in the High Court (2010) and Court of Appeal (2011). Finally, following a review by the Copyright Tribunal, with a judgment received in May 2012, charging for end user licences began, backdated to 2010.

An appeal has been launched against part of the 2011 Court of Appeal ruling, was heard by the Supreme Court in February 2013.

During 2012, the eClips database repertoire grew to 624 publications through the addition of a large number of regional titles to the database.

The eClips Web database entered its second year of operation and grew to 151 web titles. It provides a searchable database of web-published newspaper content to MMOs.

The Newspaper Licensing Agency Limited

DIRECTORS' REPORT

In November 2012, a contract was signed with Centre Français d'Exploitation du Droit de Copie, the French copyright licensing body, to create a partnership that makes French newspaper content available to the French market via the eClips platform. The service is now live and includes major national titles including *Le Monde*, *Les Echos* and *Figaro*.

c. Position of the company at the end of 2012 and prospects for 2013

- The company ended 2012 with a strong licensee base and clearly defined plans to contact unlicensed organisations in 2013 to discuss their print and web copying activity.
- The range of service offerings will be broadened in 2013 to meet users' changing needs, to reflect technological developments and to protect the publishers' rights over their content.
- The development of eClips and eClips Web will continue through 2013 as further regional titles and international content are added to the database.
- A marketing and awareness programme will continue together with a communication and contact strategy to ensure that publishers earn a fair share of revenue derived from their content by third parties and that their intellectual property rights are protected.

d. Key performance indicators (KPIs)

The NLA has monitored its performance through 2012 and its progress on its overall strategy by reference to the following KPIs.

KPI	2012	2011	Definition, method of calculation and analysis
Turnover	£30.0m	£27.1m	Turnover in 2012 was 11% higher than in 2011. This increase came from web licensing, back dated to January 2010, and a general increase in media monitoring within the corporate market.
Distribution of licensing royalties	£21.4m	£19.3m	NLA distributes licensing royalties to publishers. Royalty distributions in 2012 were 11% higher than in 2011.
Gross profit %	20%	20%	NLA retains a percentage of licence fees and service charges, to cover its administration, and pays the balance of royalties to the publishers.
Debtors days	36	34	The NLA licence requires payment within 30 days of invoice and credit control processes are used to ensure adherence to this licence term.

e. Risks facing the business

The NLA anticipates that the prospects for the wider economy and a focus upon costs within commercial businesses and the public sector will continue to constrain media monitoring activity.

The NLA's business plan for 2013 assumes the continuation of the transition from paper copying to digital and web reproduction among the Media Monitoring Organisations and their clients. Additionally, the plan assumes continued use of eClips by the large press cuttings agencies and support from the regional publishers. The success of future database products will depend upon their positioning within the market place.

Although the NLA has enjoyed a stable workforce over many years; as with many smaller businesses, high levels of staff turnover could impact the NLA's activities in 2013.

RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

The Newspaper Licensing Agency Limited

DIRECTORS' REPORT

THE DIRECTORS OF THE COMPANY

The directors who served the company during the year were as follows:

D G R Morgan
M S Ellice
A C Parker
S G Cassidy (appointed 23 January 2013)
R Hahn (appointed 31 December 2012)
G P H Baines (resigned 31 December 2012)
Z R Leonard
C E H Collier-Wright
K Morgan
A Nash
S Hanbury
D Pugh
B MacArthur
B McCarthy (appointed 3 July 2012)
P R Withey

DONATIONS

During the year the company made a donation of £100,000 (2011: £100,000) to the Journalism Diversity Fund. The company continues to set aside an element of licence fee income for charitable purposes. The company made no political donations in the year.

AUDITORS

At the annual general meeting held on 14 November 1996 the members invoked section 379A of the Companies Act by passing an elective resolution as permitted by section 386 of the Act, to dispense with the obligation to appoint auditors annually.

DISCLOSURE OF INFORMATION TO AUDITORS

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 auditors are 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 auditors.

By order of the board

A J Moore
Company Secretary

21 March 2013

The Newspaper Licensing Agency Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and 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 financials 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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE NEWSPAPER LICENSING AGENCY LIMITED

We have audited the financial statements on pages 7 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As more fully explained 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. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit 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.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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.

Nicholas Sladden (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor, Chartered Accountants
Hanover House, 18 Mount Ephraim Road
Tunbridge Wells TN1 1ED

22 March 2013

The Newspaper Licensing Agency Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2012

	<i>Notes</i>	2012 £	2011 £
TURNOVER	1	29,959,042	27,088,199
Cost of sales		(24,115,308)	(20,923,483)
Gross profit		<u>5,843,734</u>	<u>6,164,716</u>
Administrative expenses		(5,752,346)	(6,048,396)
OPERATING PROFIT	2	91,388	116,320
Interest receivable		131,545	90,175
Interest payable and similar charges	5	(168,515)	(168,515)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>54,418</u>	<u>37,980</u>
Taxation	6	(52,682)	(24,702)
PROFIT FOR THE FINANCIAL YEAR	15	<u>1,736</u>	<u>13,278</u>

The operating profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

The Newspaper Licensing Agency Limited

BALANCE SHEET
31 December 2012

Company Registration No. 3003569

	<i>Notes</i>	2012 £	2011 £
FIXED ASSETS			
Tangible assets	7	295,986	644,053
Investments	8	<u>2</u>	<u>2</u>
		<u>295,988</u>	<u>644,055</u>
CURRENT ASSETS			
Debtors	9	4,388,686	3,864,489
Cash at bank and in hand		4,345,298	4,251,532
Investments	8	<u>3,000,000</u>	<u>2,000,000</u>
		11,733,984	10,116,021
CREDITORS			
Amounts falling due within one year	10	<u>(9,962,901)</u>	<u>(8,694,741)</u>
NET CURRENT ASSETS		<u>1,771,083</u>	<u>1,421,280</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,067,071</u>	<u>2,065,335</u>
CREDITORS			
Amounts falling due after more than one year	11	<u>(1,978,932)</u>	<u>(1,978,932)</u>
NET ASSETS		<u><u>88,139</u></u>	<u><u>86,403</u></u>
CAPITAL AND RESERVES			
Called up share capital	14	8	8
Profit and loss account	15	<u>88,131</u>	<u>86,395</u>
EQUITY SHAREHOLDERS' FUNDS	16	<u><u>88,139</u></u>	<u><u>86,403</u></u>

These financial statements were approved and authorised for issue by the directors on 21 March 2013 and are signed on their behalf by:

D Pugh
Managing Director

P R Withey
Chairman

The Newspaper Licensing Agency Limited

CASH FLOW STATEMENT

for the year ended 31 December 2012

	<i>Notes</i>	2012 £	2011 £
Net cash inflow from operating activities	below	1,245,064	2,311,380
Returns on investments and servicing of finance	17a	(36,970)	(78,340)
Financing	17a	-	-
Taxation paid	17a	(24,523)	(24,702)
Capital expenditure and financial investment	17a	(1,089,805)	(2,361,850)
INCREASE (DECREASE) IN CASH IN THE PERIOD		<u>93,766</u>	<u>(153,512)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

		2012 £	2011 £
Increase (Decrease) in cash in the period		93,766	(153,512)
Purchase of investments		1,000,000	2,000,000
CHANGE IN NET FUNDS	17b	<u>1,093,766</u>	<u>1,846,488</u>
NET FUNDS AT 1 JANUARY 2012	17b	<u>4,272,600</u>	<u>2,426,112</u>
NET FUNDS AT 31 DECEMBER 2012	17b	<u>5,366,366</u>	<u>4,272,600</u>

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

		2012 £	2011 £
Operating profit		91,388	116,320
Depreciation		435,410	464,819
Loss on disposal of fixed assets		2,462	-
Increase in debtors		(524,197)	(206,209)
Increase in creditors		1,240,001	1,936,450
Net cash inflow from operating activities		<u>1,245,064</u>	<u>2,311,380</u>

The Newspaper Licensing Agency Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

TURNOVER

Turnover is recognised upon inception of a licence to reproduce newspaper content. Revenue from overseas royalty collecting societies is recognised upon receipt of details of publisher attribution. Revenue from data access is recognised in the period for which it is due.

FIXED ASSETS AND DEPRECIATION

All fixed assets are initially recorded at cost.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold improvements	-	over the term of the lease
Fixtures, fittings and equipment	-	over 3 to 10 years

OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

CONSOLIDATION

The financial statements present information about the company as an individual undertaking and not about its group. The company has taken advantage of section 402 of the Companies Act 2006 not to prepare consolidated financial statements as the directors consider that the company's subsidiary may be excluded from consolidation as it is immaterial for the purpose of a true and fair view.

PENSION

The company operates a defined contribution pension scheme with pensions provided under an insurance company scheme. Contributions payable by the company are charged to the profit and loss account as they accrue.

FOREIGN CURRENCIES

Transactions in currencies other than the functional currency of the company are initially recorded at the exchange rate prevailing on the date of the transaction. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the exchange rate prevailing on the balance sheet date. Gains and losses arising on retranslation are included in the income statement for the period.

The Newspaper Licensing Agency Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

1 TURNOVER

The turnover and profit before tax are attributable to the principal activity of the company, all arising in the UK.

2 OPERATING PROFIT

Operating profit is stated after charging:

	2012	2011
	£	£
Depreciation of owned fixed assets	435,410	464,819
Loss on disposal of fixed assets	2,462	-
Operating leases – land and buildings	186,685	228,207
Auditor's remuneration		
- as auditors	9,500	9,250
- for taxation services	1,540	1,500
- for other services	48,120	54,954

3 PARTICULARS OF EMPLOYEES

The aggregate payroll costs of the above were:

	2012	2011
	£	£
Wages and salaries	2,473,885	2,384,303
Social security costs	285,974	277,342
Other pension costs	118,371	116,824

The average monthly number of staff, including directors, employed by the company in the year was 53 (2011: 53).

4 DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2012	2011
	£	£
Emoluments receivable	217,014	207,585
Value of company pension contributions to money purchase schemes	14,332	13,650

The highest paid director's emoluments in respect of qualifying services were:

	2012	2011
	£	£
Emoluments receivable	208,923	199,085
Value of company pension contributions to money purchase schemes	14,332	13,650

The number of directors who accrued benefits under company pension schemes was as follows:

	2012	2011
	No	No
Money purchase schemes	1	1

The Newspaper Licensing Agency Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
Other similar charges payable	<u>168,515</u>	<u>168,515</u>

6 TAXATION ON ORDINARY ACTIVITIES

	2012	2011
	£	£
UK corporation tax based on the results for the year at 20% (2011 – 21%)	<u>52,682</u>	<u>24,702</u>
Tax on profit on ordinary activities	<u>52,682</u>	<u>24,702</u>

FACTORS AFFECTING THE TAX CHARGE FOR THE CURRENT YEAR

A reconciliation of the notional tax credit based on the standard rate of tax to the actual tax charge is set out below:

	2012	2011
	£	£
Profit on ordinary activities before taxation	<u>54,418</u>	<u>37,980</u>
Current tax at standard rate of 20% (2011 – 21%)	10,883	7,976
Expenses not deductible for tax purposes	3,575	(6,108)
Depreciation in excess of capital allowances	<u>38,224</u>	<u>22,834</u>
Total current tax	<u>52,682</u>	<u>24,702</u>

DEFERRED TAXATION

The provision for deferred taxation takes account of the tax effect of timing differences in respect of the excess of taxation allowances over depreciation on fixed assets. There was no movement in the deferred taxation provision during the year.

The Newspaper Licensing Agency Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

7 TANGIBLE FIXED ASSETS

	Leasehold improvements £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 January 2012	206,640	2,351,262	2,557,902
Additions	12,658	77,147	89,805
Disposals	(2,971)	(10,909)	(13,880)
At 31 December 2012	<u>216,327</u>	<u>2,417,500</u>	<u>2,633,827</u>
Depreciation			
At 1 January 2012	67,970	1,845,879	1,913,849
Charge for the year	37,451	397,959	435,410
Eliminated on disposals	(1,995)	(9,423)	(11,418)
At 31 December 2012	<u>103,426</u>	<u>2,234,415</u>	<u>2,337,841</u>
Net book value			
At 31 December 2012	<u>112,901</u>	<u>183,085</u>	<u>295,986</u>
At 31 December 2011	<u>138,670</u>	<u>505,383</u>	<u>644,053</u>

8 INVESTMENTS

Shares in subsidiary company at cost

Cost	£
At 1 January 2012 and 31 December 2012	<u>2</u>
Net book value	
At 31 December 2012	<u>2</u>
At 31 December 2011	<u>2</u>

The company owns the entire share capital of NLA Media Access Limited (formerly Financial News Licensing Limited) which was incorporated in England on 13 May 1998 and has not traded since its incorporation. The net assets of the company as at 31 December 2012 and at 31 December 2011 amounted to £2.

Bank deposits

The company held assets in a money market account at the balance sheet date.

The Newspaper Licensing Agency Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

9 DEBTORS

	2012	2011
	£	£
Trade debtors	3,141,731	3,048,946
Other debtors	1,246,955	815,543
	<u>4,388,686</u>	<u>3,864,489</u>

Trade debtors represent the amounts due to the company from licensees. Unpaid amounts due to publishers are included in trade creditors.

The debtors above include the following amounts falling due after more than one year:

	2012	2011
	£	£
Other debtors	<u>38,225</u>	<u>38,225</u>

10 CREDITORS: Amounts falling due within one year

	2012	2011
	£	£
Trade creditors	8,174,148	6,913,672
Corporation taxation	58,159	30,000
Other taxation and social security	377,906	358,848
Accruals and deferred income	1,352,688	1,392,221
	<u>9,962,901</u>	<u>8,694,741</u>

11 CREDITORS: Amounts falling due after more than one year

	2012	2011
	£	£
Loan stock	<u>1,978,932</u>	<u>1,978,932</u>

Unsecured Loan Stock of £510,000 is due for repayment on 31 December 2014. It accrues interest at a rate of 10% per annum and is not repayable by instalments.

Unsecured Loan Stock of £1,468,932 is due for repayment on 31 December 2014. It accrues interest at a rate of 8% per annum and is not repayable by instalments.

12 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as set out below.

	2012	2011
	£	£
Operating leases for land and buildings which expire: Between 2 and 5 years	<u>191,753</u>	<u>189,857</u>

The Newspaper Licensing Agency Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

13 RELATED PARTY TRANSACTIONS

One share in the company is held by each of Associated Newspapers Limited, Express Newspapers, The Financial Times Limited, Guardian News & Media Limited, MGL2 Limited, News International Limited, Telegraph Media Group Limited, and Independent Print Limited. The 8 shareholders have each given the NLA a mandate to grant licences to third parties for the reproduction of newspaper content and to collect licence income from those third parties.

Associated Newspapers Limited, Express Newspapers, The Financial Times Limited, Guardian News & Media Limited, MGL2 Limited and Telegraph Media Group Limited each hold £85,000 of Unsecured Loan Stock which is repayable under the terms stated in note 11 to the financial statements. Interest of £8,500 has been paid in the year to each of the loan stock holders.

The following shareholders hold further Unsecured Loan Stock totalling £1,468,932; Associated Newspapers Limited £285,964; The Financial Times Limited £252,637; Guardian News & Media Limited £281,933; MGL2 Limited £88,743; News International Limited £299,534; Telegraph Media Group Limited £260,121. This loan stock is repayable under the terms stated in note 11 to the financial statements. During the year, interest of £117,515 was paid as follows; Associated Newspapers Limited £22,877; The Financial Times Limited £20,211; Guardian News & Media Limited £22,554; MGL2 Limited £7,100; News International Limited £23,963; Telegraph Media Group Limited £20,810.

The royalties payable by the company to publisher shareholders during the year ended 31 December 2012 were £15,225,274 (2011: £14,047,737). Of this amount £2,046,162 (2011: £2,045,555) was unpaid at 31 December 2012. Non royalty invoices to publishers in the year totalled £188,845 (2011: £204,793) with £19,009 (2011: £43,533) unpaid at 31 December 2012.

14 SHARE CAPITAL

	2012 £	2011 £
Authorised: 1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid: 8 Ordinary shares of £1 each	<u>8</u>	<u>8</u>

15 PROFIT AND LOSS ACCOUNT

	2012 £	2011 £
At 1 January 2012	86,395	73,117
Profit for the financial year	<u>1,736</u>	<u>13,278</u>
At 31 December 2012	<u>88,131</u>	<u>86,395</u>

The Newspaper Licensing Agency Limited

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2012

	2012 £	2011 £	
16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS			
	2012 £	2011 £	
Profit for the financial year	1,736	13,278	
Opening equity shareholders' surplus	86,403	73,125	
Closing equity shareholders' surplus	<u>88,139</u>	<u>86,403</u>	
17 CASH FLOWS			
a RETURNS ON INVESTMENT AND SERVICING OF FINANCE			
	2012 £	2011 £	
Interest received	131,545	90,175	
Interest paid	<u>(168,515)</u>	<u>(168,515)</u>	
Net cash outflow from returns on investments and servicing of finance	<u>(36,970)</u>	<u>(78,340)</u>	
TAXATION			
	2012 £	2011 £	
Taxation payment	<u>(24,523)</u>	<u>(24,702)</u>	
Net cash outflow from taxation	<u>(24,523)</u>	<u>(24,702)</u>	
CAPITAL EXPENDITURE			
	2012 £	2011 £	
Payments to acquire tangible fixed assets	(89,805)	(361,850)	
Purchase of investments	<u>(1,000,000)</u>	<u>(2,000,000)</u>	
Net cash outflow from capital expenditure	<u>(1,089,805)</u>	<u>(2,361,850)</u>	
b ANALYSIS OF NET FUNDS			
	At 1 Jan 2012 £	Cash flows £	At 31 Dec 2012 £
Short term investments	2,000,000	1,000,000	3,000,000
Cash in hand and at bank	4,251,532	93,766	4,345,298
Debt due in more than 1 year	<u>(1,978,932)</u>	-	<u>(1,978,932)</u>
Total	<u>4,272,600</u>	<u>1,093,766</u>	<u>5,366,366</u>