

# NLA media access limited

Formerly  
THE NEWSPAPER LICENSING AGENCY LIMITED

FINANCIAL STATEMENTS

for the year ended

31 December 2013

# NLA media access limited

## OFFICERS AND PROFESSIONAL ADVISERS

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### 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  
A Horton  
T S Brooks

### 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

# NLA media access limited

## DIRECTORS' REPORT

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The directors submit their report and financial statements of NLA media access limited for the year ended 31 December 2013.

### PRINCIPAL ACTIVITY

NLA media access limited represents the intellectual property rights of the most respected publishing brands in the UK – 1,350 newspaper and 750 magazine print titles plus over 1,030 web titles – in the media monitoring market. The company also operates a database holding over 55 million individual articles. Through licensing and the provision of database services, NLA enables businesses to access the newspaper content they need in the most effective and compliant way.

### 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 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 1 January 2013)  
Z R Leonard  
C E H Collier-Wright  
K Morgan  
A Nash  
S Hanbury  
D Pugh  
B MacArthur  
B McCarthy  
P R Withey (resigned 31 December 2013)  
A Horton (appointed 24 June 2013)  
T S Brooks (appointed 1 January 2014)

### DONATIONS

During the year the company made a donation of £100,000 (2012: £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.

# NLA media access limited

## DIRECTORS' REPORT

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### 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

27 March 2014

# NLA media access limited

## STRATEGIC REPORT

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### REVIEW OF THE BUSINESS

NLA media access limited holds mandates from 200 newspaper and magazine publishers plus many foreign collective management organisations to collect the copyright royalties for the reproduction of their print and web content. It does this by licensing organisations that reproduce newspaper content: media monitoring agencies (providing press and web cuttings services), public relations consultancies, private and public sector organisations that monitor press media coverage. 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, NLA media access provides a convenient licensing service for both publishers and users of content. NLA also operates a searchable digital database of newspaper content - the eClips database - which receives content directly from 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 from 'news brands' 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.

### DEVELOPMENT AND PERFORMANCE OF THE BUSINESS DURING THE FINANCIAL YEAR

In June 2013, the company changed its name from The Newspaper Licensing Agency Limited to NLA media access limited. The change was introduced to reflect the broader repertoire of publications represented in licensing and the range of database services provided. Although licensing of printed newspaper publications is still a major activity, for some years the company has licensed web publications and operated a database of print and web edition content which provides services to the media monitoring market and publishers. The rapid expansion in repertoire in 2013, as over 150 magazine publishers opted to transfer their business sector licensing to NLA, was the catalyst for change.

837 new client licences were issued during the year and the number of corporate licences at the end of the year was 9,509. NLA media access licenses organisations at a corporate or group level, which means that over 200,000 organisations are licensed. Net royalties paid to publishers were 7% higher than in 2012.

In January 2010, 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 against a part of the 2011 Court of Appeal ruling (concerning the delivery mechanism for monitoring reports, but not the principle that web-published content attracts copyright protection and paid-for services require a licence), was heard by the Supreme Court in February 2013. The Supreme Court upheld the appeal, but has referred its judgment to the European Court of Justice. This case is expected to be heard in late 2014 or 2015.

During 2013, the eClips database repertoire grew to 833 publications through the addition of a large number of regional newspaper titles to the database.

The eClips Web database entered its second year of operation and grew to 172 web titles. It provides a timely, searchable and comprehensive database of web-published newspaper content to MMOs.

In 2013, 157 publishers of magazines opted to license their print and web publications through NLA media access. Licensing began in October 2013 for the first 750 print and 650 web publications (representing c27% of the content copied by media monitoring agencies); with a further 450 print and 350 web titles due to be licensed from April 2014 – at which point 40% of magazine monitoring will be licensed by NLA.

# NLA media access limited

## STRATEGIC REPORT

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### POSITION OF THE COMPANY AT THE END OF 2013 AND PROSPECTS FOR 2014

The company ended 2013 with a strong licensee base and clearly defined plans to contact unlicensed organisations in 2014 to discuss their print and web copying activity.

The range of service offerings will be broadened in 2014 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 2014 as magazine publications, further regional titles and international content are included in 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.

New database services are in development for publishers and media monitoring companies.

### KEY PERFORMANCE INDICATORS (KPIs)

NLA has monitored its performance through 2013 and its progress on its overall strategy by reference to the following KPIs.

KPI	2013	2012	Definition, method of calculation and analysis
Turnover	£31.6m	£30.0m	Turnover in 2013 is 5% higher than in 2012. This increase has come from the introduction of magazine licensing in 2013 and a general increase in media monitoring in the corporate market.
Licensing royalties	£26.0m	£24.4m	NLA distributes licensing royalties to publishers. Royalty distributions in 2013 were 7% higher than in 2012.
Licensing royalties	79%	79%	NLA retains a % of licensing fees and service charges, to cover its administration, and pays the balance of royalties to publishers.
Debtor days	32	36	The NLA licence requires payment within 30 days of invoice and credit control processes are used to ensure adherence to this licence term.

### RISKS FACING THE BUSINESS

In the short term it is prudently assumed that despite an improving economy, licensees will continue to focus on reducing their media monitoring costs. Although NLA has enjoyed a stable workforce over many years; as with many smaller businesses, high levels of staff turnover could impact activities in 2014. The success of new database services for monitoring agencies will depend upon their positioning within the market place.

In the medium term there is a risk that monitoring of print edition content may be replaced by monitoring of web content at a faster rate than anticipated in our business planning; or that publications may be closed and therefore be unavailable to licence. These risks are mitigated by the expansion in our content repertoire and potential to make a case for higher web licensing fees to the Copyright Tribunal.

In the longer term, there is a risk that legislation at UK government or EU level could have a detrimental effect on copyright licensing. Although there is always potential for legislative changes to have unforeseen consequences, we believe that the risk is low, as the UK government understands well the value of effective copyright and the role of effective licensing in supporting the creative sector of the economy.

# NLA media access limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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 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.

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF NLA MEDIA ACCESS LIMITED

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We have audited the financial statements on pages 8 to 17. 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 auditor**

As more fully explained in the Directors' Responsibilities Statement set out on page 6, 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 and express an opinion on 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 of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at

[http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

**Opinion on 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 2013 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 matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report and the Strategic 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  
Tunbridge Wells

28 March 2014

# NLA media access limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2013

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	<i>Notes</i>	2013 £	2012 £
TURNOVER	1	31,615,100	29,959,042
Cost of sales		(25,885,945)	(24,115,308)
Gross profit		<u>5,729,155</u>	<u>5,843,734</u>
Administrative expenses		(5,597,757)	(5,752,346)
OPERATING PROFIT	2	131,398	91,388
Interest receivable		124,682	131,545
Interest payable and similar charges	5	(168,515)	(168,515)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>87,565</u>	<u>54,418</u>
Taxation	6	(464)	(52,682)
PROFIT FOR THE FINANCIAL YEAR	15	<u>87,101</u>	<u>1,736</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.

# NLA media access limited

## BALANCE SHEET

31 December 2013

Company Registration No. 3003569

	<i>Notes</i>	2013 £	2012 £
<b>FIXED ASSETS</b>			
Tangible assets	7	237,105	295,986
Investments	8	2	2
		<u>237,107</u>	<u>295,988</u>
<b>CURRENT ASSETS</b>			
Debtors	9	4,061,344	4,388,686
Cash at bank and in hand		3,558,382	4,345,298
Investments	8	4,000,000	3,000,000
		<u>11,619,726</u>	<u>11,733,984</u>
<b>CREDITORS</b>			
Amounts falling due within one year	10	(9,702,661)	(9,962,901)
<b>NET CURRENT ASSETS</b>			
		<u>1,917,065</u>	<u>1,771,083</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>2,154,172</u>	<u>2,067,071</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	11	(1,978,932)	(1,978,932)
<b>NET ASSETS</b>			
		<u>175,240</u>	<u>88,139</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	8	8
Profit and loss account	15	175,232	88,131
<b>EQUITY SHAREHOLDERS' FUNDS</b>			
	16	<u>175,240</u>	<u>88,139</u>

These financial statements were approved and authorised for issue by the directors on 27 March 2014 and are signed on their behalf by:

D Pugh  
Managing Director

T S Brooks  
Chairman

# NLA media access limited

## CASH FLOW STATEMENT

for the year ended 31 December 2013

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	<i>Notes</i>	2013 £	2012 £
Net cash inflow from operating activities	below	417,197	1,245,064
Returns on investments and servicing of finance	17a	(43,833)	(36,970)
Taxation paid	17a	(54,623)	(24,523)
Capital expenditure and financial investment	17a	(1,105,657)	(1,089,805)
(DECREASE) INCREASE IN CASH IN THE PERIOD		<u>(786,916)</u>	<u>93,766</u>

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

		2013 £	2012 £
(Decrease) Increase in cash in the period		(786,916)	93,766
Purchase of investments		<u>1,000,000</u>	<u>1,000,000</u>
CHANGE IN NET FUNDS	17b	213,084	1,093,766
NET FUNDS AT 1 JANUARY 2013	17b	<u>5,366,366</u>	<u>4,272,600</u>
NET FUNDS AT 31 DECEMBER 2013	17b	<u>5,579,450</u>	<u>5,366,366</u>

### RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

		2013 £	2012 £
Operating profit		131,398	91,388
Depreciation		164,538	435,410
Loss on disposal of fixed assets		-	2,462
Decrease (Increase) in debtors		327,342	(524,197)
(Decrease) Increase in creditors		<u>(206,081)</u>	<u>1,240,001</u>
Net cash inflow from operating activities		<u>417,197</u>	<u>1,245,064</u>

# NLA media access limited

## ACCOUNTING POLICIES

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### 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 media 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.

# NLA media access limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

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### 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:

	2013	2012
	£	£
Depreciation of owned fixed assets	164,538	435,410
Loss on disposal of fixed assets	-	2,462
Operating leases – land and buildings	186,431	186,685
Auditor's remuneration		
- as auditors	10,170	9,500
- for taxation services	2,213	1,540
- for other services	22,776	48,120
	<u>          </u>	<u>          </u>

### 3 PARTICULARS OF EMPLOYEES

The aggregate payroll costs of the above were:

	2013	2012
	£	£
Wages and salaries	2,598,814	2,473,626
Social security costs	302,770	290,996
Other pension costs	124,425	118,371
	<u>3,026,009</u>	<u>2,882,993</u>

The average monthly number of staff, including directors, employed by the company in the year was 56 (2012: 53).

### 4 DIRECTORS' EMOLUMENTS

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

	2013	2012
	£	£
Emoluments receivable	226,141	217,014
Value of company pension contributions to money purchase schemes	14,763	14,332
	<u>240,904</u>	<u>231,346</u>

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

	2013	2012
	£	£
Emoluments receivable	219,141	208,923
Value of company pension contributions to money purchase schemes	14,763	14,332
	<u>233,904</u>	<u>223,255</u>

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

	2013	2012
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

**NLA media access limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2013

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5	INTEREST PAYABLE AND SIMILAR CHARGES		
		2013	2012
		£	£
	Other similar charges payable	<u>168,515</u>	<u>168,515</u>

6	TAXATION ON ORDINARY ACTIVITIES		
		2013	2012
		£	£
	UK corporation tax based on the results for the year at 20% (2012 – 20%)	464	52,682
	Tax on profit on ordinary activities	<u>464</u>	<u>52,682</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:

	2013	2012
	£	£
Profit on ordinary activities before taxation	<u>87,565</u>	<u>54,418</u>
Current tax at standard rate of 20% (2012 – 20%)	17,514	10,883
Expenses allowance for tax purposes	(1,626)	3,575
Capital allowances in excess of depreciation	<u>(15,424)</u>	<u>38,224</u>
Total current tax	<u>464</u>	<u>52,682</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.

**NLA media access limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2013

7 TANGIBLE FIXED ASSETS

	Leasehold improvements £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 January 2013	216,327	2,417,500	2,633,827
Additions	-	105,657	105,657
Disposals	-	(77,705)	(77,705)
At 31 December 2013	<u>216,327</u>	<u>2,445,452</u>	<u>2,661,779</u>
Depreciation			
At 1 January 2013	103,426	2,234,415	2,337,841
Charge for the year	38,248	126,290	164,538
Eliminated on disposals	-	(77,705)	(77,705)
At 31 December 2013	<u>141,674</u>	<u>2,283,000</u>	<u>2,424,674</u>
Net book value			
At 31 December 2013	<u>74,653</u>	<u>162,452</u>	<u>237,105</u>
At 31 December 2012	<u>112,901</u>	<u>183,085</u>	<u>295,986</u>

8 INVESTMENTS

SHARES IN SUBSIDIARY COMPANY AT COST

	£
Cost	
At 1 January 2013 and 31 December 2013	<u>2</u>
Net book value	
At 31 December 2013	<u>2</u>
At 31 December 2012	<u>2</u>

The company owns the entire share capital of The Newspaper Licensing Agency Limited (formerly NLA media access limited and 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 2013 and at 31 December 2012 amounted to £2.

BANK DEPOSITS

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

**NLA media access limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2013

9 DEBTORS

	2013	2012
	£	£
Trade debtors	3,364,873	3,141,731
Other debtors	696,471	1,246,955
	<u>4,061,344</u>	<u>4,388,686</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:

	2013	2012
	£	£
Other debtors	<u>38,225</u>	<u>38,225</u>

10 CREDITORS: Amounts falling due within one year

	2013	2012
	£	£
Trade creditors	8,263,900	8,174,148
Corporation taxation	4,000	58,159
Other taxation and social security	379,909	377,906
Accruals and deferred income	1,054,852	1,352,688
	<u>9,702,661</u>	<u>9,962,901</u>

11 CREDITORS: Amounts falling due after more than one year

	2013	2012
	£	£
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 2015. Until 31 December 2013, it accrued interest at a rate of 10% per annum. From 1 January 2014, it accrues interest at 3% per annum above bank base rate. It is not repayable by instalments.

Unsecured Loan Stock of £1,468,932 is due for repayment on 31 December 2015. Until 31 December 2013, it accrued interest at a rate of 8% per annum. From 1 January 2014, it accrues interest at 3% per annum above bank base rate. It is not repayable by instalments.

12 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as set out below.

	2013	2012
	£	£
Operating leases for land and buildings which expire: Between 2 and 5 years	<u>194,489</u>	<u>191,753</u>

# NLA media access limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

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### 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 UK & Ireland Limited, Telegraph Media Group Limited, and Independent Print Limited. The 8 shareholders have each given 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 UK & Ireland 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 2013 were £15,776,612 (2012: £15,225,274). Of this amount £2,061,669 (2012: £2,046,162) was unpaid at 31 December 2013. Non royalty invoices to publishers in the year totalled £149,753 (2012: £188,845) with £10,525 (2012: £19,009) unpaid at 31 December 2013.

### 14 SHARE CAPITAL

	2013 £	2012 £
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

	2013 £	2012 £
At 1 January 2013	88,131	86,395
Profit for the financial year	<u>87,101</u>	<u>1,736</u>
At 31 December 2013	<u>175,232</u>	<u>88,131</u>

**NLA media access limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2013

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013	2012
	£	£
Profit for the financial year	87,101	1,736
Opening equity shareholders' surplus	88,139	86,403
Closing equity shareholders' surplus	<u>175,240</u>	<u>88,139</u>

17 CASH FLOWS

a RETURNS ON INVESTMENT AND SERVICING OF FINANCE

	2013	2012
	£	£
Interest received	124,682	131,545
Interest paid	<u>(168,515)</u>	<u>(168,515)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(43,833)</u>	<u>(36,970)</u>

TAXATION

	2013	2012
	£	£
Taxation payment	<u>(54,623)</u>	<u>(24,523)</u>
Net cash outflow from taxation	<u>(54,623)</u>	<u>(24,523)</u>

CAPITAL EXPENDITURE

	2013	2012
	£	£
Payments to acquire tangible fixed assets	(105,657)	(89,805)
Purchase of investments	<u>(1,000,000)</u>	<u>(1,000,000)</u>
Net cash outflow from capital expenditure	<u>(1,105,657)</u>	<u>(1,089,805)</u>

b ANALYSIS OF NET FUNDS

	At		At
	1 Jan 2013	Cash flows	31 Dec 2013
	£	£	£
Short term investments	3,000,000	1,000,000	4,000,000
Cash in hand and at bank	4,345,298	(786,916)	3,558,382
Debt due in more than 1 year	<u>(1,978,932)</u>	-	<u>(1,978,932)</u>
Total	<u>5,366,366</u>	<u>213,084</u>	<u>5,579,450</u>