

NLA media access limited

FINANCIAL STATEMENTS

for the year ended

31 December 2014

NLA media access limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A Bannister
M S Ellice
A C Parker
S G Cassidy
R Hahn
Z R Leonard
F McKenna
E Higgins
A Nash
S Hanbury
T S Brooks
D Pugh
B MacArthur
B McCarthy
A Horton

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

The directors submit their report and financial statements of NLA media access limited for the year ended 31 December 2014.

PRINCIPAL ACTIVITY

NLA media access limited represents the intellectual property rights of many prominent publishing brands in the UK – 2,800 newspaper and magazine print titles plus nearly 2,000 web titles – in the media monitoring market. The company also operates a database providing services to media monitoring agencies and publishers, containing 70 million articles from print and web publications. The combination of licensing and database services provided by NLA media access enables UK and international businesses to access published content in an efficient and copyright-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 (resigned 26 June 2014)
A Bannister (appointed 26 June 2014)
M S Ellice
A C Parker
S G Cassidy
R Hahn
Z R Leonard
C E H Collier-Wright (resigned 31 December 2014)
F McKenna (appointed 12 January 2015)
K Morgan (resigned 25 September 2014)
E Higgins (appointed 25 September 2014)
A Nash
S Hanbury
T S Brooks (appointed 1 January 2014)
D Pugh
B MacArthur
B McCarthy
A Horton

DONATIONS

During the year the company made a donation of £100,000 (2013: £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

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 handwritten signature in black ink, appearing to read 'A J Moore'. The signature is written in a cursive style with a large initial 'A'.

A J Moore
Company Secretary

19 March 2015

NLA media access limited

STRATEGIC REPORT

REVIEW OF THE BUSINESS

NLA media access limited licenses content from 46 newspaper and 189 magazine publishers plus 21 foreign collective management organisations; collecting copyright royalties for the reproduction of their print and web content. It licenses 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. NLA media access licences are not exclusive, as these 'secondary publishing' rights can also be obtained directly from publishers, but the company provides a convenient 'collective management' service which benefits publishers and users of content. NLA also operates a searchable database of published content - eClips - 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 media monitoring clients through 15 agencies in the UK. International clients also receive the content through the eClips International service, now serving 18 agencies around the world.

DEVELOPMENT AND PERFORMANCE OF THE BUSINESS DURING THE FINANCIAL YEAR

2014 was the first full year of licensing the print and web edition content of magazine publishers that began licensing through NLA media access in the autumn of 2013. This was the principal engine of growth in the year, contributing over £3.5m to licensing sales; but earnings for national and regional newspaper publishers also saw increases over the previous year. Net royalties paid to all publishers increased by £3.5m (15%).

During the course of the year, the number of magazine publishers represented increased from 76 to 190 and 1,700 new titles were added to the licensing repertoire. The content made available on the eClips service also grew, with the addition of the first 11 magazine titles and a further 44 regional newspapers, bringing the total number of publications on the database to 1,040. In addition, 172 web titles are available on the eClips Web platform. A further 5 French newspapers were added to the Distre Presse service operated for Centre Francais du droit du Copie (CFC), which now provides 29 titles to the French monitoring market.

883 new licences were sold during 2014, bringing the total number of corporate end user licences in issue to 9,718 at the year end. Licensing for the education sector was successfully outsourced to the Copyright Licensing Agency during the year and a new licence for schools was introduced.

A series of legal cases to establish the validity of licensing content published on web sites, which began in 2010, was concluded at the end of the year with the publication of a judgment by the Supreme Court. As a result of the action, the legal basis for licensing in the media monitoring market has been established: web-published content attracts copyright protection and paid-for services require a licence. There are now no further actions pending.

New database services to serve publishers and media monitoring agencies were developed during the year. A new search engine for the ClipShare service used by 7,000 press journalists was deployed, as the first stage of developments to be completed in 2015. An Online Article Tracking Service (OATS) created and managed by NLA, was adopted by 5 newspaper groups to monitor republishing of their content by unauthorised users and to take appropriate action. An Article Impact Measurement (AIM) service was developed, to enable monitoring agencies to track readership of articles published on the web sites of national newspapers and combine this data with social media information. This service will be rolled out in 2015.

NLA media access limited

STRATEGIC REPORT

POSITION OF THE COMPANY AT THE END OF 2014 AND PROSPECTS FOR 2015

The company ended 2014 with a strong licensee base, an increased repertoire of publications to represent, and clearly defined plans to develop revenues for publishers.

The range of database services will continue to be broadened in 2015 to meet the changing needs of media monitoring agencies and publishers, implementing technological developments, protecting publishers' rights over their content and responding to client demand.

The development of eClips and eClips Web will continue through 2015, as magazine publications, regional titles and international content is added to the database.

During the year, investment will be made in the business systems that support sales and administration to ensure business continuity and to improve efficiency.

KEY PERFORMANCE INDICATORS (KPIs)

NLA has monitored its performance through 2014 and its progress on its overall strategy by reference to the following KPIs.

KPI	2014	2013	Definition, method of calculation and analysis
Turnover	£37.2m	£31.6m	Turnover in 2014 is 18% higher than in 2013. This increase has come from the first full year of magazine licensing and a general increase in media monitoring in the corporate market.
Licensing royalties	£30.5m	£26m	NLA distributes licensing royalties to publishers. Royalty distributions in 2014 were 17% higher than in 2013.
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.
Debtors days	30	32	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. NLA has enjoyed a stable workforce over many years; as with many smaller businesses, high levels of staff turnover could impact activities in 2015. The media monitoring market saw consolidation in 2014, which could continue in the year ahead. The success of new database services for monitoring agencies and publishers will depend upon their positioning against other services in 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 license. These risks are mitigated by the expansion in content repertoire and development of new licences and services to meet demand.

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

The directors are responsible for preparing the Strategic Report, 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 of the state of affairs of the company and of the profit or loss 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 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

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/auditscopeukprivate>

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 2014 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 Strategic Report and 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
Tunbridge Wells

23 March 2015

NLA media access limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2014

	<i>Notes</i>	2014 £	2013 £
TURNOVER	1	37,164,892	31,615,100
Cost of sales		<u>(31,062,914)</u>	<u>(25,885,945)</u>
Gross profit		6,101,978	5,729,155
Administrative expenses		<u>(6,032,035)</u>	<u>(5,597,757)</u>
OPERATING PROFIT	2	69,943	131,398
Interest receivable		59,926	124,682
Interest payable and similar charges	5	(69,263)	(168,515)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>60,606</u>	<u>87,565</u>
Taxation	6	<u>4,000</u>	<u>(464)</u>
PROFIT FOR THE FINANCIAL YEAR	15	<u><u>64,606</u></u>	<u><u>87,101</u></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 2014

Company Registration No. 3003569

	Notes	2014 £	2013 £
FIXED ASSETS			
Tangible assets	7	163,315	237,105
Investments	8	2	2
		<u>163,317</u>	<u>237,107</u>
CURRENT ASSETS			
Debtors	9	5,566,314	4,061,344
Cash at bank and in hand		4,737,297	3,558,382
Investments	8	4,500,000	4,000,000
		<u>14,803,611</u>	<u>11,619,726</u>
CREDITORS			
Amounts falling due within one year	10	<u>(13,763,769)</u>	<u>(9,702,661)</u>
NET CURRENT ASSETS			
		<u>1,039,842</u>	<u>1,917,065</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>1,203,159</u>	<u>2,154,172</u>
CREDITORS			
Amounts falling due after more than one year	11	<u>(963,313)</u>	<u>(1,978,932)</u>
NET ASSETS			
		<u>239,846</u>	<u>175,240</u>
CAPITAL AND RESERVES			
Called up share capital	14	8	8
Profit and loss account	15	<u>239,838</u>	<u>175,232</u>
EQUITY SHAREHOLDERS' FUNDS			
	16	<u>239,846</u>	<u>175,240</u>

These financial statements were approved and authorised for issue by the directors on 19 March 2015 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 2014

	<i>Notes</i>	2014 £	2013 £
Net cash inflow from operating activities	below	2,117,938	417,197
Returns on investments and servicing of finance	17a	(9,337)	(43,833)
Taxation paid	17a	-	(54,623)
Capital expenditure and financial investment	17a	(584,565)	(1,105,657)
Financing	17a	(345,121)	-
INCREASE (DECREASE) IN CASH IN THE PERIOD		<u>1,178,915</u>	<u>(786,916)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

		2014 £	2013 £
Increase (Decrease) in cash in the period		1,178,915	(786,916)
Purchase of investments		500,000	1,000,000
Repayment of loan stock		345,121	-
CHANGE IN NET FUNDS	17b	<u>2,024,036</u>	<u>213,084</u>
NET FUNDS AT 1 JANUARY 2014	17b	<u>5,579,450</u>	<u>5,366,366</u>
NET FUNDS AT 31 DECEMBER 2014	17b	<u>7,603,486</u>	<u>5,579,450</u>

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

		2014 £	2013 £
Operating profit		69,943	131,398
Depreciation		158,355	164,538
(Increase) Decrease in debtors		(1,504,970)	327,342
Increase (Decrease) in creditors		3,394,610	(206,081)
Net cash inflow from operating activities		<u>2,117,938</u>	<u>417,197</u>

NLA media access limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

TURNOVER

Licensing revenue 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 2014

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:

	2014	2013
	£	£
Depreciation of owned fixed assets	158,355	164,538
Operating leases – land and buildings	202,031	186,431
Auditor's remuneration		
- as auditors	10,600	10,170
- for taxation services	1,520	2,213
- for other services	15,330	22,776
	<u>3,265,754</u>	<u>3,026,009</u>

3 PARTICULARS OF EMPLOYEES

The aggregate payroll costs of the above were:

	2014	2013
	£	£
Wages and salaries	2,819,759	2,598,814
Social security costs	335,410	302,770
Other pension costs	110,585	124,425
	<u>3,265,754</u>	<u>3,026,009</u>

The average monthly number of staff, including directors, employed by the company in the year was 58 (2013: 56).

4 DIRECTORS' EMOLUMENTS

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

	2014	2013
	£	£
Emoluments receivable	273,713	226,141
Value of company pension contributions to money purchase schemes	1,230	14,763
	<u>274,943</u>	<u>240,904</u>

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

	2014	2013
	£	£
Emoluments receivable	236,047	219,141
Value of company pension contributions to money purchase schemes	1,230	14,763
	<u>237,277</u>	<u>233,904</u>

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

	2014	2013
	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 2014

5	INTEREST PAYABLE AND SIMILAR CHARGES	2014	2013
		£	£
	Other similar charges payable	<u>69,263</u>	<u>168,515</u>

6	TAXATION ON ORDINARY ACTIVITIES	2014	2013
		£	£
	UK corporation tax based on the results for the year at 20% (2013 – 20%)	<u>(4,000)</u>	<u>464</u>
	Tax on profit on ordinary activities	<u>(4,000)</u>	<u>464</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:

	2014	2013
	£	£
Profit on ordinary activities before taxation	<u>60,606</u>	<u>87,565</u>
Current tax at standard rate of 20% (2013 – 20%)	12,121	17,514
Expenses allowance for tax purposes	(5,813)	(1,626)
Capital allowances in excess of depreciation	<u>(10,308)</u>	<u>(15,424)</u>
Total current tax	<u>(4,000)</u>	<u>464</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 2014

7 TANGIBLE FIXED ASSETS

	Leasehold improvements £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 January 2014	216,327	2,445,452	2,661,779
Additions	2,870	81,695	84,565
Disposals	-	(18,279)	(18,279)
At 31 December 2014	<u>219,197</u>	<u>2,508,868</u>	<u>2,728,065</u>
Depreciation			
At 1 January 2014	141,674	2,283,000	2,424,674
Charge for the year	43,772	114,583	158,355
Eliminated on disposals	-	(18,279)	(18,279)
At 31 December 2014	<u>185,446</u>	<u>2,379,304</u>	<u>2,564,750</u>
Net book value			
At 31 December 2014	<u>33,751</u>	<u>129,564</u>	<u>163,315</u>
At 31 December 2013	<u>74,653</u>	<u>162,452</u>	<u>237,105</u>

8 INVESTMENTS

SHARES IN SUBSIDIARY COMPANY AT COST

	£
Cost	
At 1 January 2014 and 31 December 2014	<u>2</u>
Net book value	
At 31 December 2014	<u>2</u>
At 31 December 2013	<u>2</u>

The company owns the entire share capital of The Newspaper Licensing Agency Limited (formerly known as 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 2014 and at 31 December 2013 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 2014

9 DEBTORS

	2014	2013
	£	£
Trade debtors	3,874,016	3,364,873
Other debtors	1,692,298	696,471
	<u>5,566,314</u>	<u>4,061,344</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:

	2014	2013
	£	£
Other debtors	<u>-</u>	<u>38,225</u>

10 CREDITORS: Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	10,493,485	8,263,900
Loan stock	670,498	-
Corporation taxation	-	4,000
Other taxation and social security	452,806	379,909
Accruals and deferred income	2,146,980	1,054,852
	<u>13,763,769</u>	<u>9,702,661</u>

11 CREDITORS: Amounts falling due after more than one year

	2014	2013
	£	£
Loan stock	<u>963,313</u>	<u>1,978,932</u>

Unsecured Loan Stock of £85,000 is due for repayment on 31 December 2015 and £340,000 is due for repayment on 31 December 2016. It is not repayable by instalments. Interest accrues at 3% per annum above bank base rate.

Unsecured Loan Stock of £585,498 is due for repayment on 31 December 2015 and £623,313 is due for repayment on 31 December 2016. It is not repayable by instalments. Interest accrues at 3% per annum above bank base rate.

12 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as set out below.

	2014	2013
	£	£
Operating leases for land and buildings which expire:		
Within 1 year	166,732	-
Between 2 and 5 years	<u>-</u>	<u>194,489</u>

NLA media access limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2014

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, and MGL2 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 £2,975 has been paid in the year to each of these loan stock holders. Interest of £2,975 has been paid to Telegraph Media Group Limited whose loan stock of £85,000 was repaid on 31 December 2014.

The following shareholders hold further Unsecured Loan Stock totalling £1,208,811; 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. This loan stock is repayable under the terms stated in note 11 to the financial statements. During the year, interest of £51,413 was paid as follows; Associated Newspapers Limited £10,009; The Financial Times Limited £8,842; Guardian News & Media Limited £9,868; MGL2 Limited £3,106; News International Limited £10,484; Telegraph Media Group Limited £9,104. Telegraph Media Group Limited was repaid its loan stock of £260,121 on 31 December 2014.

The royalties payable by the company to publisher shareholders during the year ended 31 December 2014 were £16,147,392 (2013: £15,776,612). Of this amount £2,599,965 (2013: £2,061,669) was unpaid at 31 December 2014. Non royalty invoices to publishers in the year totalled £169,100 (2013: £149,753) with £11,086 (2013: £10,525) unpaid at 31 December 2014.

14 SHARE CAPITAL

	2014 £	2013 £
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

	2014 £	2013 £
At 1 January 2014	175,232	88,131
Profit for the financial year	64,606	87,101
At 31 December 2014	<u>239,838</u>	<u>175,232</u>

NLA media access limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014	2013
	£	£
Profit for the financial year	64,606	87,101
Opening equity shareholders' surplus	175,240	88,139
Closing equity shareholders' surplus	<u>239,846</u>	<u>175,240</u>

17 CASH FLOWS

a RETURNS ON INVESTMENT AND SERVICING OF FINANCE

	2014	2013
	£	£
Interest received	59,926	124,682
Interest paid	(69,263)	(168,515)
Net cash outflow from returns on investments and servicing of finance	<u>(9,337)</u>	<u>(43,833)</u>

TAXATION

	2014	2013
	£	£
Taxation payment	-	(54,623)
Net cash outflow from taxation	<u>-</u>	<u>(54,623)</u>

CAPITAL EXPENDITURE

	2014	2013
	£	£
Payments to acquire tangible fixed assets	(84,565)	(105,657)
Purchase of investments	(500,000)	(1,000,000)
Net cash outflow from capital expenditure	<u>(584,565)</u>	<u>(1,105,657)</u>

FINANCING

	2014	2013
	£	£
Repayment of loan sock	<u>(345,121)</u>	<u>-</u>

b ANALYSIS OF NET FUNDS

	At 1 Jan 2014	Cash flows	At 31 Dec 2014
	£	£	£
Short term investments	4,000,000	500,000	4,500,000
Cash in hand and at bank	3,558,382	1,178,915	4,737,297
Debt due in less than 1 year	-	(670,498)	(670,498)
Debt due in more than 1 year	(1,978,932)	1,015,619	(963,313)
Total	<u>5,579,450</u>	<u>2,024,036</u>	<u>7,603,486</u>