

**NLA MEDIA ACCESS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016**

NLA MEDIA ACCESS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present the strategic report and financial statements for the year ended 31 December 2016.

Review of the business

NLA media access limited licenses content from 274 UK and international newspaper, magazine and newswire publishers plus 28 foreign collective management organisations; earning 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 and development 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. NLA services 19 such organisations in the UK and 19 foreign organisations use the NLA eClips International service.

Risks facing the business

Given the trends in 2016, it is assumed that licensees will continue to focus on reducing their media monitoring costs and, in turn, their NLA licence fee, in some cases resulting in cancelling their licence altogether. The media monitoring market has seen consolidation since 2014 and this is expected to continue into 2017. 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 continued 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.

Development and performance of the business during the financial year

2016 was the third full year of licensing the print and web edition content of magazine publishers. This part of the business grew by 13% in the year; and earnings for national and regional newspaper publishers also saw increases over the previous year. Net royalties paid to all publishers were £35.6m, an increase of 4%.

During the course of the year, the number of publishers represented grew modestly from 253 to 270, bringing the total number of publications on the database to 1600. In addition, 174 web titles are now available on the eClips Web platform. A further 19 French newspapers were added to the Distre Presse service operated for Centre Francais du droit du Copie (CFC), which now provides 63 titles to the French monitoring market.

During 2016, 915 new licences were sold and the total number of corporate end user licences in issue was 9,940 at the year end.

NLA MEDIA ACCESS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Key performance indicators

NLA has monitored its performance through 2016 and its progress on its overall strategy by reference to the following KPIs:

KPI	2016	2015	Definition, method of calculation and analysis
Turnover	£42.2m	£40.1m	Turnover in 2016 is 5% higher than in 2015. This increase has come from newspaper and magazine licensing, overseas licensing and a general increase in media monitoring in the corporate market.
Licensing royalties	£35.6m	£34.2m	NLA distributes licensing royalties to publishers. Royalty distributions in 2016 were 4% higher than in 2015.
Licensing royalties	79%	79%	In line with expectations, NLA retains a % of licensing fees and service charges, to cover its administration, and pays the balance of royalties to publishers.
Debtor days	34	36	In line with expectations, NLA licences require payment within 30 days of invoice and credit control processes are used to ensure adherence to this licence term.

Position of the company at the end of 2016 and prospects for 2017

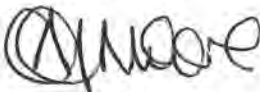
The company ended 2016 with a strong licensee base, an increased repertoire of publications to represent, and clearly defined plans to continue developing revenues for all publishers.

The range of database services will continue to be broadened in 2017 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, as magazine publications, regional titles and international content is added to the database. The latter will also include some outsourced development to speed up progress and allow NLA to review the way in which media monitoring agencies are charged for this content.

During 2017, investment will be made in the business systems that support sales and administration to ensure business continuity and to improve efficiency. One such investment will be in the form of a tariff review which, when complete, should give the company a platform on which to protect revenues from the inevitability of declining licence fees.

By order of the board



AJ Moore
Secretary

23/3/17

NLA MEDIA ACCESS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and financial statements for the year ended 31 December 2016

Principal activities

NLA media access limited represents the intellectual property rights of prominent publishing brands in the UK – 3,600 newspaper and magazine print titles plus 2,100 web titles – in the media monitoring market. The company also operates a database providing services to media monitoring agencies and publishers, containing 96 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.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

AW Bannister	MS Ellice
SG Cassidy	JT Mann
ZR Leonard	FL McKenna
A Nash	S Hanbury
R Hahn	RMJ Ashton
B McCarthy	B MacArthur
TS Brooks	
OL Meredith	(Appointed 20 January 2016)
HT Jones	(Appointed 1 March 2016)
D Pugh	(Resigned 31 March 2016)

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid in 2016 nor 2015. The directors do not recommend payment of a final dividend.

Charitable donations

During the year the company made a donation of £100,000 (2015: £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.

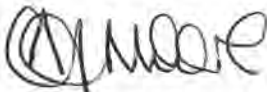
Auditor

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.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



AJ Moore
Secretary

23/3/17.....

NLA MEDIA ACCESS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors are responsible for preparing the Strategic Report and 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 of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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

Opinion on financial statements

We have audited the financial statements on pages 6 to 20. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

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 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 and, based on the work undertaken in the course of our audit, the Strategic report and the Directors' Report have 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 any material misstatements in the Strategic Report or 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.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 4, 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.

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.

RSM UK Audit LLP

Nicholas Sladden (Senior Statutory Auditor)
For and on behalf of
RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London EC4A 4AB

Date 27 March 2017

NLA MEDIA ACCESS LIMITED

STATEMENT OF TOTAL COMPREHENSIVE INCOME


FOR THE YEAR ENDED 31 DECEMBER 2016

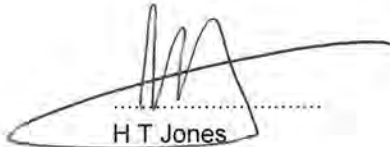
	Notes	2016 £	2015 £
Turnover	3	42,160,625	40,090,987
Cost of sales		(35,671,730)	(33,790,697)
Gross profit		6,488,895	6,300,290
Administrative expenses		(6,208,697)	(6,222,718)
Operating profit	4	280,198	77,572
Interest receivable and similar income	8	46,135	62,276
Interest payable and similar charges	9	(6,329)	(56,381)
Profit on ordinary activities before taxation		320,004	83,467
Taxation	10	-	(13,514)
Profit for the financial year		320,004	69,953
Total comprehensive income for the year		320,004	69,953

NLA MEDIA ACCESS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Tangible assets	11		193,921		203,845
Investments	12		2		2
			<u>193,923</u>		<u>203,847</u>
Current assets					
Debtors	14	5,061,137		5,248,013	
Investments	15	3,000,000		2,000,000	
Cash at bank and in hand		6,529,494		7,157,660	
		<u>14,590,631</u>		<u>14,405,673</u>	
Creditors: amounts falling due within one year	16	<u>(14,154,751)</u>		<u>(14,299,721)</u>	
Net current assets			<u>435,880</u>		<u>105,952</u>
Net assets			<u>629,803</u>		<u>309,799</u>
Capital and reserves					
Called up share capital	19		8		8
Profit and loss reserves			<u>629,795</u>		<u>309,791</u>
Total equity			<u>629,803</u>		<u>309,799</u>

The financial statements were approved by the board of directors and authorised for issue on 23/3/17 and are signed on its behalf by:


 T S Brooks
 Director


 H T Jones
 Director

NLA MEDIA ACCESS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2015	8	239,838	239,846
Period ended 31 December 2015:			
Profit and total comprehensive income for the year	-	69,953	69,953
Balance at 31 December 2015	8	309,791	309,799
Period ended 31 December 2016:			
Profit and total comprehensive income for the year	-	320,004	320,004
Balance at 31 December 2016	8	629,795	629,803

NLA MEDIA ACCESS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	22	657,626		1,500,068	
Interest paid		(6,329)		(56,381)	
Taxes received (paid)		769		(4,283)	
Net cash inflow from operating activities		<u>652,066</u>		<u>1,439,404</u>	
Investing activities					
Purchase of tangible fixed assets		(67,874)		(212,099)	
Proceeds on disposal of tangible fixed assets		250		5,850	
(Increase) decrease in sums held on long term deposit		(1,000,000)		2,500,000	
Interest received		46,135		62,276	
Net cash (used in) generated from investing activities		<u>(1,021,489)</u>		<u>2,356,027</u>	
Financing activities					
Repayment of loan stock		(258,743)		(1,375,068)	
Net cash used in financing activities		<u>(258,743)</u>		<u>(1,375,068)</u>	
Net (decrease)/increase in cash and cash equivalents		<u>(628,166)</u>		<u>2,420,363</u>	
Cash and cash equivalents at beginning of year		7,157,660		4,737,297	
Cash and cash equivalents at end of year		<u>6,529,494</u>		<u>7,157,660</u>	

NLA MEDIA ACCESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

NLA media access limited is a limited liability company domiciled and incorporated in England and Wales. The registered office is Mount Pleasant House, Lonsdale Gardens, Tunbridge Wells, Kent, TN1 1HJ.

The company's principal activities are disclosed in the Directors' Report on page 3.

Accounting convention

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements have been prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the requirements of the Companies Act 2006 including the provisions of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

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.

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

NLA MEDIA ACCESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (continued)

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

Financial instruments

Financial instruments are recognised in the company's Statement of Financial Position when the company becomes party to the contractual provisions of the instrument. The company has elected to apply the provisions of section 11 'Basic Financial Instruments' of FRS102 to all its financial instruments. Financial instruments are classified into specific categories and the classification depends on the nature and purpose of the instruments and is determined at the time of recognition. The company's financial instruments are categorised as basic financial instruments.

Financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

NLA MEDIA ACCESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (continued)

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

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 Statement of Total Comprehensive Income as they accrue.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

NLA MEDIA ACCESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

3 Turnover

An analysis of the company's turnover is as follows:

	2016 £	2015 £
Turnover		
Licensing royalties	39,181,628	37,059,073
Database	2,978,997	3,031,914
	<u>42,160,625</u>	<u>40,090,987</u>
 Other significant revenue		
Interest income	<u>46,135</u>	<u>62,276</u>

Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	<u>42,160,625</u>	<u>40,090,987</u>

4 Operating profit

Operating profit for the year is stated after charging (crediting):

	2016 £	2015 £
Depreciation of owned tangible fixed assets	77,721	171,569
Profit on disposal of tangible fixed assets	(173)	(5,850)
Cost of sales	35,671,730	33,790,697
Operating lease charges	<u>307,307</u>	<u>267,505</u>

5 Auditor's remuneration

	2016 £	2015 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the company's financial statements	<u>12,000</u>	<u>11,600</u>
For other services		
Taxation compliance services	7,300	3,800
All other non-audit services	<u>31,922</u>	<u>33,182</u>
	<u>39,222</u>	<u>36,982</u>

NLA MEDIA ACCESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
Management	7	7
Sales	21	20
Production	17	19
Administration	9	8
Business development	2	3
	<u>56</u>	<u>57</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	2,833,253	2,869,138
Social security costs	339,930	336,982
Pension costs	134,931	118,348
	<u>3,308,114</u>	<u>3,324,468</u>

7 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	323,132	284,309
Company pension contributions to defined contribution schemes	12,500	-
	<u>335,632</u>	<u>284,309</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2015 - 0).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	179,354	246,435
Company pension contributions to defined contribution schemes	12,500	-
	<u>191,854</u>	<u>246,435</u>

NLA MEDIA ACCESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

8	Interest receivable and similar income	2016	2015
		£	£
	Interest income		
	Interest on bank deposits	46,135	62,276
		<u> </u>	<u> </u>
9	Interest payable and similar charges	2016	2015
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on other loans	6,329	56,381
		<u> </u>	<u> </u>
10	Taxation	2016	2015
		£	£
	Current tax		
	UK corporation tax on profits for the current period	10,000	10,000
	Adjustments in respect of prior periods	(10,000)	3,514
		<u> </u>	<u> </u>
	Total current tax	-	13,514
		<u> </u>	<u> </u>
	Total tax charge	-	13,514
		<u> </u>	<u> </u>

The charge for the year can be reconciled to the profit per the income statement as follows:

	2016	2015
	£	£
Profit before taxation	320,004	83,467
	<u> </u>	<u> </u>
Expected tax charge based on a corporation tax rate of 20%	64,000	16,693
Tax effect of expenses that are not deductible in determining taxable profit	(44,825)	17,138
Capital allowances in excess of depreciation	(19,175)	(20,317)
	<u> </u>	<u> </u>
Tax expense for the year	-	13,514
	<u> </u>	<u> </u>

NLA MEDIA ACCESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

11 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 January 2016	205,477	2,462,849	2,668,326
Additions	18,989	48,885	67,874
Disposals	-	(20,404)	(20,404)
At 31 December 2016	224,466	2,491,330	2,715,796
Depreciation and impairment			
At 1 January 2016	129,815	2,334,666	2,464,481
Depreciation charged in the year	11,827	65,894	77,721
Eliminated in respect of disposals	-	(20,327)	(20,327)
At 31 December 2016	141,642	2,380,233	2,521,875
Carrying amount			
At 31 December 2016	82,824	111,097	193,921
At 31 December 2015	75,662	128,183	203,845

12 Fixed asset investments

	Note	2016 £	2015 £
Investments in subsidiaries	13	2	2

Movements in fixed asset investments

	Shares £
Cost	
At 1 January 2016 & 31 December 2016	2
Carrying amount	
At 31 December 2016	2
At 31 December 2015	2

13 Subsidiaries

These financial statements are separate company financial statements for NLA media access limited.

The company owns the entire share capital of The Newspaper Licensing Agency 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 2016 and at 31 December 2015 amounted to £2.

NLA MEDIA ACCESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

14 Debtors

	2016	2015
	£	£
Amounts falling due within one year:		
Trade debtors	4,238,686	3,987,799
Prepayments and accrued income	822,451	1,260,214
	<u>5,061,137</u>	<u>5,248,013</u>

15 Current asset investments

	2016	2015
	£	£
Cash on deposit	<u>3,000,000</u>	<u>2,000,000</u>

The company held assets in a money market account on 31 December 2016 and on 31 December 2015.

16 Creditors: amounts falling due within one year

	2016	2015
	£	£
Corporation tax payable	10,000	9,231
Other taxation and social security	372,900	508,223
Trade creditors	12,460,398	11,750,754
Loan stock	-	258,743
Accruals and deferred income	1,311,453	1,772,770
	<u>14,154,751</u>	<u>14,299,721</u>

Included within accruals are pension contributions of £11,900 (2015: £9,448).

NLA MEDIA ACCESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

17 Financial instruments	2016	2015
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	4,638,203	4,571,542
Equity instruments measured at cost less impairment	2	2
	<u>4,638,205</u>	<u>4,571,544</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>13,771,851</u>	<u>13,782,267</u>

18 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to the Statement of Total Comprehensive Income in respect of defined contribution schemes was £134,931 (2015 - £118,348).

19 Share capital

	2016	2015
	£	£
Ordinary share capital		
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Issued and fully paid		
8 Ordinary shares of £1 each	<u>8</u>	<u>8</u>

The company has one class of ordinary share which carry no right to fixed income. The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption.

NLA MEDIA ACCESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

20 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for certain of its properties. Leases are negotiated for an average term of 5 years and rentals are fixed for an average of 5 years.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £	2015 £
Within one year	298,031	307,314
Between two and five years	799,177	1,134,850
	<u>1,097,208</u>	<u>1,442,164</u>

21 Related party transactions

Remuneration of key management personnel

The remuneration of directors and managers who are considered to be key management personnel, is as follows.

	2016 £	2015 £
Aggregate compensation	<u>961,207</u>	<u>1,031,467</u>

No guarantees have been given or received.

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. There is no one ultimate controlling party. 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.

During the year, interest of £6,329 was paid as follows: Express Newspapers £248; MGL2 Limited £6,081. During 2015, interest of £56,381 was paid as follows: Associated Newspapers Limited £12,984; Express Newspapers £2,975; Guardian News & Media Limited £12,843; MGL2 Limited £6,081; News UK & Ireland Limited £10,484 and The Financial Times Limited £11,014.

The royalties payable by the company to publisher shareholders during the year ended 31 December 2016 were £17,123,973 (2015: £17,362,292). Of this amount £3,199,642 (2015: £3,140,520) was unpaid at 31 December 2016. Non royalty invoices to publisher shareholders in the year totalled £165,589 (2015: £191,227) with £26,225 (2015: £6,441) unpaid at 31 December 2016.

NLA MEDIA ACCESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

22 Cash generated from operations	2016	2015
	£	£
Profit for the year	320,004	69,953
Adjustments for:		
Income tax expense recognised in profit or loss	-	13,514
Finance costs recognised in profit or loss	6,329	56,381
Investment income recognised in profit or loss	(46,135)	(62,276)
Gain on disposal of tangible fixed assets	(173)	(5,850)
Depreciation of tangible fixed assets	77,721	171,569
Movements in working capital:		
Decrease in debtors	186,876	318,301
Increase in creditors	113,004	938,476
Cash generated from operations	<u>657,626</u>	<u>1,500,068</u>