Company Registration No. 3003569 (England and Wales)

NLA MEDIA ACCESS LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2019

NLA MEDIA ACCESS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the strategic report and financial statements for the year ended 31 December 2019.

Review of the business
NLA media access limited licenses content from more than 13,000 UK and international newspaper, magazine, newswire and digital only titles and more than 20 foreign collective management organisations; earning copyright royalties for the reproduction of their print and web content. It licenses organisations that reproduce news content; media monitoring organisations (MMOs) providing press and web monitoring 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 NLA 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 services for their clients. NLA services more than 40 such organisations in the UK and overseas. NLA also provides a number of services to publishers including Clipshare, a content database used by more than 6,000 journalists.

Development and performance of the business during the financial year
During the course of the year, the number of publishers represented by NLA grew. The eClips and eClips Web databases now hold more than 1,600 titles. A late-2017 product extension to eClips Web - eClips Web Specialist - which provides MMOs with access to content behind a paywall, continues to do well.

During 2019, 938 new licences were sold and the total number of corporate end user licences in issue at the year-end was 10,221.

NLA launched an Extended Access licence in late 2018 responding to feedback from the markets it serves. The extension allows licensees to access content for print and web content for up to 365 days, a significant improvement on the standard 28 days for print and 100 days for web content. Uptake of this licence in 2019 has met expectation and continues to grow.

2019 was the sixth full year of licensing the print and web edition content of magazine publishers. This part of the business grew by 3% in the year; and earnings for national and regional newspaper publishers also saw increases of 10% and 4% over the previous year. Royalties paid to all publishers were £41.4m, an increase of 7%.

Key performance indicators
NLA has monitored its performance through 2019 and its progress on its overall strategy by reference to the following KPIs:

KPI	2019	2018	Definition, method of calculation and analysis
Turnover	£50.7m	£47.0m	Turnover in 2019 is up YOY by 8%. This increase has come from newspaper and magazine licensing, a result of a general increase in media monitoring within the corporate market.
Licensing royalties	£41.4m	£39.2m	Licensing royalty distributions in 2019 were up YOY by 7%.
Licensing royalties	80%	80%	NLA pays the licensing royalties to publishers and retains a smaller % to cover its administration costs.
Debtor days	40	35	The NLA licence requires 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 2019 and prospects for 2020
NLA media access ended 2019 with a strong licensee base and plans to continue developing revenues for all publishers.

The range of products and services will continue to be broadened in 2020: to meet the changing needs of media monitoring organisations and publishers; implementing technological developments; protecting publishers' rights over their content; and responding to client demand. The Simplified Tariff was launched in May 2020, to sit alongside our Business Licence, to offer users of content an alternative and simpler way to remain copyright compliant. Future revenue growth will come from continued diversified offerings and the company is making progress in this area. The development of current products will continue as magazine publications, regional titles and international content evolves. NLA has also continued to outsource development of certain eClips database processes to speed up progress of title on-boarding, quality control and feed delivery. This will be a useful service and afford the company greater agility in 2020 and beyond.

Subsequent to the year end, the Covid-19 coronavirus pandemic has impacted the UK economy. In the period since the end of March 2020, NLA has seen an increased number of cancellations and clients reducing their media monitoring activity. To balance lower revenue, NLA has identified non-critical costs and cut them from its 2020 cost base.

Risks facing the business
Subsequent to the year end, the Covid-19 coronavirus pandemic has impacted the UK economy. NLA is preparing for further decline in licensing revenue as users of content review their media monitoring needs with a view to lowering their costs. NLA's news content supply chain may be affected depending on how well content publishers manage the challenges ahead. It is likely that the amount of published news content will reduce as smaller publishers may be irretrievably impacted by the downturn in the economy and larger publishers may lower their pagination. NLA's key suppliers are BCMS (business continuity management system) certified and the risk of service interruption is considered low.

Given the continuing evolution of the market and economic climate, it is assumed that some licensees will continue to focus on reducing their media monitoring activity. The media monitoring market has seen increasing consolidation since 2014 and this is expected to continue into 2020 as new, smaller players continue to enter the market.

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 reduce pagination or be closed and therefore be unavailable to license. These risks are somewhat mitigated by the development of new products 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.

By order of the board

J Fung
Secretary

Date 3 September 2020

The directors present their annual report and financial statements for the year ended 31 December 2019.

Principal activities
NLA media access limited represents the intellectual property rights of prominent publishing brands in the UK – more than 13,000 newspaper and magazine print and web titles – in the media monitoring market. The company also operates a database providing content and services to media monitoring agencies and publishers, containing 120 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
JT Mann
ZR Leonard
R Hahn
BG McCarthy
OL Meredith
AJ Moore
K Teh (appointed 6 September 2019)
S Hanbury (resigned 6 September 2019; appointed 23 September 2019)
SG Cassidy (resigned 27 November 2019)
FL McKenna
RMJ Ashton
TS Brooks (resigned 17 September 2019)
HT Jones
A Geere

Results and dividends
The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Charitable donations
During the year the company donated £100,000 (2018: £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 auditor is 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 auditor is aware of that information.

By order of the board

J Fung
Secretary

Date 3 September 2020

NLA MEDIA ACCESS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

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;
- 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
We have audited the financial statements of NLA media access limited (the 'company') for the year ended 31 December 2019 which comprise the Statement of Total Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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 material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors
As explained more fully 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken 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

8 October 2020

NLA MEDIA ACCESS LIMITED

STATEMENT OF TOTAL COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Turnover	3	50,654,657	47,038,693
Cost of sales		(41,426,726)	(39,112,644)
Gross profit		9,227,931	7,926,049
Administrative expenses		(9,165,252)	(7,839,324)
Operating profit	4	62,679	86,725
Interest receivable and similar income	8	46,352	41,640
Profit on ordinary activities before taxation		109,031	128,365
Taxation	10	(64,912)	(1,501)
Profit for the financial year		44,119	126,864
Total comprehensive income for the year		44,119	126,864

NLA MEDIA ACCESS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	11		502,926		667,497
Investments	12		2		2
			502,928		667,499
Current assets					
Debtors	14	7,459,210		5,747,695	
Investments	15	2,000,000		3,000,000	
Cash at bank and in hand		7,127,982		7,667,852	
		16,587,192		16,415,547	
Creditors: amounts falling due within one year	16	(16,223,026)		(16,260,071)	
Net current assets			364,166		155,476
Net assets			867,094		822,975
Capital and reserves					
Called up share capital	19		7		7
Capital redemption reserve	19		1		1
Profit and loss reserves			867,086		822,967
Total equity			867,094		822,975

The financial statements were approved by the board of directors and authorised for issue on 3 September 2020 and are signed on its behalf by:

BG McCarthy
Director

HT Jones
Director

NLA MEDIA ACCESS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Capital redemption reserve	Share capital	Profit and loss reserves	Total
	£	£	£	£
Year ended 31 December 2018:				
Balance at 1 January 2018	-	8	696,104	696,112
Profit and total comprehensive income for the year	-	-	126,864	126,864
Purchase of 1 ordinary share	-	(1)	-	(1)
Cancellation of 1 ordinary share	1	-	(1)	-
Balance at 31 December 2018	1	7	822,967	822,975
Year ended 31 December 2019:				
Profit and total comprehensive income for the year	-	-	44,119	44,119
Balance at 31 December 2019	1	7	867,086	867,094

NLA MEDIA ACCESS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Cash flows from operating activities					
Cash generated from (used in) operations	**22**		(1,314,499)		900,372
Taxes refunded (paid)			88		(1,501)
Net cash in (out) flow from operating activities			(1,314,411)		898,871
Investing activities					
Purchase of tangible fixed assets		(271,853)		(303,171)	
Proceeds from sale of tangible fixed assets		42		-	
Buy back of own share		-		(1)	
(Increase) decrease in sums held on long term deposit		1,000,000		(1,500,000)	
Interest received		46,352		41,640	
Net cash generated from (used in) investing activities			774,541		(1,761,532)
Net increase (decrease) in cash and cash equivalents			(539,870)		(862,661)
Cash and cash equivalents at beginning of year			7,667,852		8,530,513
Cash and cash equivalents at end of year			7,127,982		7,667,852

1 Accounting policies

Company information
NLA media access limited is a limited 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 on 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 considered whether the going concern basis of accounting is appropriate with reference to trading, profit, cash flow forecasts and also considering the worldwide pandemic of Covid-19 that struck subsequent to the year end. The current cash position and forecast cash position are considered adequate to cover the ongoing costs of the business and the business has remained, and is forecast to remain, within its facilities. The directors are satisfied the company has adequate access to resources which will enable it to continue in operational existence for the foreseeable future. If revenue falls below forecast, the company can adjust its cost base and/or delay royalty payments to publishers so that it is able to meet its liabilities. For this reason 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 10 years or 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.

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 party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

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.

3 Turnover

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

	2019	2018
	£	£
Turnover		
Licensing royalties	46,693,347	43,528,426
Database	3,961,310	3,510,267
	50,654,657	47,038,693
Other significant revenue		
Interest income	46,352	41,640

Turnover analysed by geographical market

	2019	2018
	£	£
United Kingdom	50,654,657	47,038,693

4 Operating profit

	2019	2018
	£	£
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	436,070	59,230
Loss on disposal of tangible fixed assets tangible fixed assets	312	7,714
Operating lease charges	477,964	306,709
and after crediting:		
Rent and service charge income	71,485	-

5 Auditor's remuneration

	2019	2018
Fees payable to the company's auditor and its associates:	£	£
For audit services		
Audit of the company's financial statements	13,300	12,750
For other services		
Taxation compliance services	3,310	2,050
Audit-related services	5,500	5,300
All other non-audit services	35,812	21,154
	44,622	28,504

6 Employees

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

	2019 Number	2018 Number
Management	9	9
Sales	29	26
Production	18	17
Administration	9	10
Business development	5	4
	70	66

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	4,326,864	4,099,256
Social security costs	529,070	495,055
Pension costs	225,895	195,781
	5,081,829	4,790,092

7 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	606,313	554,288
Company pension contributions to defined contribution schemes	26,584	25,809
	632,897	580,097

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2018 - 2).

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

Remuneration for qualifying services	421,480	384,620
Company pension contributions to defined contribution schemes	16,232	15,759

8 Interest receivable and similar income

	2019	2018
	£	£
Interest income		
Interest on bank deposits	46,352	41,640

9 Interest payable and similar charges

No interest or similar charges were payable in 2019 or 2018.

10 Taxation

	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	65,000	-
Adjustments in respect of prior periods	(88)	1,501
Total current tax	64,912	1,501
Total tax charge	64,912	1,501

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

	2019	2018
	£	£
Profit before taxation	109,031	128,365
Expected tax charge based on a corporation tax rate of 19% (2018: 19%)	20,716	24,389
Tax effect of expenses that are not deductible in determining taxable profit	(2,300)	24,461
Depreciation in excess of capital allowances	46,496	(48,850)
Tax expense for the year	64,912	-

11 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 January 2019	236,642	2,867,633	3,104,275
Additions	185,284	86,569	271,853
Disposals	-	(437,728)	(437,728)
At 31 December 2019	421,926	2,516,474	2,938,400
Depreciation and impairment			
At 1 January 2019	170,607	2,266,171	2,436,778
Depreciation charged in the year	77,261	358,809	436,070
Eliminated in respect of disposals	-	(437,374)	(437,374)
At 31 December 2019	247,868	2,187,606	2,435,474
Carrying amount			
At 31 December 2019	174,058	328,868	502,926
At 31 December 2018	66,035	601,462	667,497

12 Fixed asset investments

	Note	2019 £	2018 £
Investments in subsidiaries	13	2	2

Movements in fixed asset investments

	Shares £
Cost	
At 1 January 2019 & 31 December 2019	2
Carrying amount	
At 31 December 2019	2
At 31 December 2018	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; incorporated in England on 13 May 1998; it has not traded since its incorporation; registered office Mount Pleasant House, Lonsdale Gardens, Tunbridge Wells TN1 1HJ. The net assets of the company as at 31 December 2019 and at 31 December 2018 amounted to £2.

14 Debtors

Amounts falling due within one year:	2019 £	2018 £
Trade debtors	6,310,954	4,717,369
Other debtors	164,924	-
Prepayments and accrued income	983,332	1,030,326
	7,459,210	5,747,695

15 Current asset investments

	2019 £	2018 £
Cash on deposit	2,000,000	3,000,000

The company held assets in a money market account on 31 December 2019 and on 31 December 2018.

16 Creditors: amounts falling due within one year

	2019 £	2018 £
Other taxation and social security	609,691	609,871
Trade creditors	13,667,013	13,420,719
Accruals and deferred income	1,946,322	2,229,481
	16,223,026	16,260,071

No pension contributions are included within accruals in 2019 and 2018.

17 Financial instruments

	2019	2018
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	7,010,680	5,460,556
Equity instruments measured at cost less impairment	2	2
	7,010,682	5,460,558
Carrying amount of financial liabilities		
Measured at amortised cost	15,332,084	15,421,906

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 £225,895 (2018 - £195,781).

19 Share capital and reserves

	2019	2018
	£	£
Ordinary share capital		
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
Issued and fully paid		
7 Ordinary shares of £1 each	7	7

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.

During 2018, the Company purchased for £1, and then cancelled, one of its ordinary shares in order to comply with its constitution that a shareholding publisher may only hold one share. The maximum number of own shares held is one and this had a nominal value of £1. A capital redemption reserve arose on the purchase and cancellation of this share and this represents the nominal value of the share acquired.

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:

	2019	2018
	£	£
Within one year	449,236	319,055
Between two and five years	704,083	218,793
	1,153,319	537,848

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.

	2019	2018
	£	£
Aggregate compensation	1,329,571	1,453,998

No guarantees have been given or received.

One share in the company is held by each of Associated Newspapers Limited, The Financial Times Limited, Guardian News & Media Limited, MGL2 Limited, News UK & Ireland Limited, Telegraph Media Group Limited, and Independent Digital News & Media Limited. During 2018, the share held by Express Newspapers was purchased and cancelled by NLA Media Access Limited.

The 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.

The royalties payable by the company to publisher shareholders during the year ended 31 December 2019 were £20,359,264 (2018: £18,457,610). Of this amount £3,644,395 (2018: £3,425,796) was unpaid at 31 December 2019. Non royalty invoices to publisher shareholders in the year totalled £183,415 (2018: £186,360) with £17,567 (2018: £21,356) unpaid at 31 December 2019.

22 Cash generated from operations	2019	2018
	£	£
Profit for the year	109,031	128,365
Adjustments for:		
Investment income recognised in profit or loss	(46,352)	(41,640)
Loss on disposal of tangible fixed assets	312	7,714
Depreciation of tangible fixed assets	436,070	59,230
Movements in working capital:		
Increase in debtors	(1,711,515)	(584,499)
Increase (decrease) in creditors	(102,045)	1,331,202
Cash (outflow) generated from operations	(1,314,499)	900,372

23 Post Balance Sheet Event

Subsequent to the year end, the worldwide Covid-19 pandemic has impacted the UK economy. The directors consider the impact of Covid-19 as a non-adjusting post balance sheet event and, as a result, no adjustments have been made to the financial statements as at 31 December 2019. Given the unpredictable nature and impact of the outbreak, and how rapidly the responses to the outbreak are changing, the directors are unable to quantify the full impact on the business long term though it is possible that the volume of news content available for licensing may vary and the users of the content may consume more or less of it depending upon their particular business priorities.