newsmedia association

Company Number: 8963259

THE NEWSPAPER ORGANISATION LIMITED
(TRADING AS NEWS MEDIA ASSOCIATION)
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

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COMPANY INFORMATION

DIRECTORS	G R A Allinson	(appointed 1 January 2016)
	S A Auckland	
	K J Beatty	
	R L F Burgess	(resigned 1 January 2016)
	M W Darcey	(resigned 12 November 2015)
	D W Dinsmore	(appointed 12 November 2015)
	S R Fox	
	L J Gordon	(resigned 1 January 2016)
	J L Henry	(appointed 26 June 2015)
	A G M Highfield	
	P A Inman	(appointed 1 January 2016)
	A D Jeakings	(resigned 30 June 2015)
	M MacLennan	
	A A Miller	(resigned 25 June 2015)
	D Pemsel	(appointed 26 June 2015)
	J Spooner	
	H K Faure Walker	
COMPANY SECRETARY	D R Newell	
REGISTERED OFFICE	292 Vauxhall Bridge Road London SW1V 1AE	
INDEPENDENT AUDITORS	Crowe Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH	
TREASURER	P A Hunter	

The directors present their report and the financial statements for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The Newspaper Organisation Limited ("the company") was incorporated as a company limited by guarantee on 27 March 2014 prior to the merger of the Newspaper Society and the Newspaper Publishers Association. On 3 July 2014 the company elected to trade under the name News Media Association, NMA. In this report, NMA is used to describe the company.

The principal activity of the company is to promote the shared interests of news media publishers in the UK and to protect the general interests of its members to government, regulatory authorities, industry bodies and other organisations whose work affects the industry. The company also promotes the efficacy of newsbrands in all their forms as news and marketing media.

NMA also represents a source of information on industry issues of general concern to members and facilitates the sharing of best practice covering commercial, marketing and technical issues throughout the membership.

The company has adopted FRS102 for the first time during the financial year ending 31 December 2015. The main impact of this change is the recognition of the fair value adjustment in respect of fixed assets investments in the profit for the year and the reclassification of the revaluation reserve to the profit and loss reserve.

The Newspaper Society operated a defined benefit pension scheme which was closed with effect from 30 June 2015. Members of that scheme were transferred to a defined contribution scheme which is compliant with auto-enrolment legislation. As a consequence the current service cost is expected to increase over time, as the average age of former members' increases.

A full actuarial valuation was carried out at 1 December 2015 by a qualified actuary, independent of the scheme's sponsoring employer, and the relevant report is being finalised. For these accounts the previous (2012) updated valuation has been used. Since June 2015 the company pays no ongoing final salary pension contribution as a percentage of pensionable pay. For the six months to 30 June 2015 contributions amounting to £21,531 were paid into the fund. Furthermore £418,000 and £461,000 were paid in respect of the pension recovery plan from relevant local members and NMA respectively. The recovery plan, agreed between relevant local members, the trustees of the pension scheme and NMA has been supplemented this year by a one-off payment from NMA funded by a dividend of £450,000 received from Adstream Limited, the company's subsidiary undertaking.

Acting on behalf of its national members, the company entered into an agreement with National Readership Surveys Limited ("NRS"), now Publishers Audience Measurement Company Limited ("PAMCO"), a company limited by guarantee. Under the terms of this agreement and subsequent correspondence with its national members NMA will be provided with sufficient funds, in addition to their annual subscription to NMA, to meet any financial commitment arising from this agreement. NRS's (now PAMCO's) principal activity is the distribution of audience research in use for print and digital advertising trading in Britain.

GOING CONCERN

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future consequently they adopt the going concern basis in preparing the financial statements.

DIRECTORS

The directors who served during the year and subsequently are detailed on page 1.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless 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 judgments 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.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 13th April 2016 and signed on its behalf by:

A G M Highfield
Director

D R Newell
Company secretary

Independent Auditor's Report To The Members Of The Newspaper Organisation Limited (trading as News Media Association)

We have audited the financial statements of The Newspaper Organisation Limited for the year ended 31 December 2015, set out on pages 7 to 27.

The financial reporting framework that has been applied in their preparation is applicable law and FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities, 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 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 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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and has been prepared in accordance with the applicable legal requirements.

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 Directors' Report.

Independent Auditor's Report To The Members Of The Newspaper Organisation Limited (trading as News Media Association) (Continued)

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.

Leo Malkin

Leo Malkin (Senior statutory auditor)

for and on behalf of
Crowe Clark Whitehill LLP

Statutory Auditor

St Bride's House
10 Salisbury Square
London
EC4Y 8EH
Date: 13 April 2016

NEWS MEDIA ASSOCIATION
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	*Restated* *2014* *£*
Turnover	4	**3,165,308**	*3,454,505*
Cost of sales: staff costs	7	**(988,412)**	*(1,180,560)*
Gross profit		**2,176,896**	*2,273,945*
Administrative expenses: property and operating costs		**(1,883,402)**	*(1,789,844)*
Operating profit	8	**293,494**	*484,101*
Income from shares in group undertaking	20	**450,000**	-
Interest receivable and similar income	5	**3,555**	*13,944*
Fair value (losses)/gains on fixed assets investments		**(561,821)**	*13,058*
Finance costs (net)	6	**(76,000)**	*(33,000)*
Profit on ordinary activities before taxation		**109,228**	*478,103*
Tax on profit on ordinary activities	9	**53,356**	*(29,654)*
Profit for the financial year		**162,584**	*448,449*
Other comprehensive income for the year			
Re-measurement of defined benefit pension scheme liability	17	**149,000**	*(2,156,000)*
Covenanted pension contributions		**418,000**	*412,000*
Deferred tax arising on items included within other comprehensive income		**(113,400)**	*348,800*
		453,600	*(1,395,200)*
Total comprehensive income for the year		**616,184**	*(946,751)*

The related notes 1 to 21 form part of these financial statements.

NEWS MEDIA ASSOCIATION
STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2015

COMPANY NO: 8963259

	Notes	2015 £	*Restated 2014 £*
FIXED ASSETS			
Tangible assets	10	**4,136**	*6,403*
Investments	11	**3,252,913**	*3,742,649*
		3,257,049	*3,749,052*
CURRENT ASSETS			
Debtors	12	**251,699**	*238,059*
Cash at bank and in hand		**1,017,032**	*973,242*
		1,268,731	*1,211,301*
CREDITORS: amounts falling due within one year	13	**(692,911)**	*(887,491)*
NET CURRENT ASSETS		**575,820**	*323,810*
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,832,869**	*4,072,862*
PROVISIONS FOR LIABILITIES			
Deferred tax	15	**(91,412)**	*(198,389)*
Other provisions	16	**(23,334)**	*(13,334)*
		(114,746)	*(211,723)*
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY		**3,718,123**	*3,861,139*
Deferred benefit pension scheme liability	17	**(1,308,000)**	*(2,067,200)*
NET ASSETS INCLUDING PENSION SCHEME LIABILITY		**2,410,123**	*1,793,939*
CAPITAL AND RESERVES			
Profit and loss account	19	**2,410,123**	*1,793,939*
		2,410,123	*1,793,939*

The financial statements were approved and authorised for issue by the board and were signed on 13th April 2016 on its behalf by:

A G M Highfield
Director

D R Newell
Company Secretary

The related notes 1 to 21 form part of these financial statements.

NEWS MEDIA ASSOCIATION
STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2015

	2015 £	*2014* *£*
Cash flows from operating activities		
Profit for the financial year	**162,584**	*448,449*
Adjustments for:		
Depreciation of tangible fixed assets	**3,191**	*4,876*
Profit on disposal of fixed asset investments	**(2,347)**	-
Defined benefit pension scheme adjustments	**(382,000)**	*(192,000)*
Income from shares in group undertaking	**(450,000)**	-
Interest received	**(3,555)**	*(13,944)*
Taxation	**(53,356)**	*29,654*
Fair value losses/(gains) on fixed asset investments	**561,821**	*(13,058)*
Movement in debtors	**(13,640)**	*504,225*
Movement in creditors	**(171,517)**	*(227,588)*
Movement in provisions	**10,000**	*(110,666)*
Cash generated from operations	**(338,819)**	*429,948*
Income tax paid	**(284)**	-
Net cash generated from operating activities	**(339,103)**	*429,948*
Cash flows from investing activities		
Purchase of tangible fixed assets	**(924)**	*(1,338)*
Returns on investments, management fees and servicing of finance	**(69,738)**	*55,025*
Income from shares in group undertakings	**450,000**	-
Interest received	**3,555**	*13,944*
Net cash from investing activities	**382,893**	*67,631*
Net increase in cash and cash equivalents	**43,790**	*497,579*
Cash and cash equivalents at the beginning of year	**973,242**	*475,663*
Cash and cash equivalents at end of year	**1,017,032**	*973,242*

The related notes 1 to 21 form part of these financial statements.

NEWS MEDIA ASSOCIATION
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2015

	Capital contribution reserve £	Revaluation reserve £	Profit and loss account £	Total £
1 January 2014 (as previously stated)	-	1,077,560	1,663,130	2,740,690
Prior year adjustment (see note 21)	-	(1,077,560)	1,077,560	-
1 January 2014 (as restated)	-	-	2,740,690	2,740,690
Profit for the financial year	-	-	448,449	448,449
Other comprehensive income:				
Re-measurement of defined benefit pension scheme liability	-	-	(2,156,000)	(2,156,000)
Covenanted pension scheme contributions	412,000	-	-	412,000
Deferred tax arising on items included within other comprehensive income	-	-	348,800	348,800
Reserves transfer	(412,000)	-	412,000	-
31 December 2014	-	-	1,793,939	1,793,939
Profit for the financial year	-	-	162,584	162,584
Re-measurement of defined benefit pension scheme liability	-	-	149,000	149,000
Covenanted pension scheme contributions	418,000	-	-	418,000
Deferred tax arising on items included within other comprehensive income	-	-	(113,400)	(113,400)
Reserves transfer	(418,000)	-	418,000	-
31 December 2015	**-**	**-**	**2,410,123**	**2,410,123**

The related notes 1 to 21 form part of these financial statements.

1. COMPANY INFORMATION

The company's principal activity is detailed within the directors' report. The company is registered and domiciled in England and Wales. The company's principal place of business is its registered office.

The company is a private company limited by guarantee and consequentially does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The directors consider the going concern basis to be appropriate having paid due regard to the company's projected results during the twelve months from the date the financial statements are approved and the anticipated cash flows, availability of bank facilities and mitigating actions that can be taken during that period.

The company has adopted FRS102 for the first time in the year ended 31 December 2015 and has restated its comparative prior year profit for the financial year (see note 21). Other than the reclassification of the revaluation reserve to the profit and loss reserve (see statement of changes in equity) no restatement was necessary in respect of amounts included within the statement of financial position.

The specific impact of the first-time adoption of FRS102 is as follows:

- Fair value adjustments in respect of fixed asset investments are now recognised within the profit for the financial year. Previously such adjustments were recognised within the statement of total recognised gains and losses ("STRGL") and credited to the revaluation reserve.
- The allocation of the annual movements in the company's defined benefit obligation between the profit for the financial year and other comprehensive income (previously the STRGL) has been amended to comply with FRS102 section 28.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group financial statements. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The following principal accounting policies have been applied:

2. ACCOUNTING POLICIES (Continued)

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

Within the above overall revenue recognition framework the following specific recognition policies are applied for the company's principal revenue streams:

- Membership subscription income is recognised over a straight line basis over the membership period.
- Commercial revenue is recognised in the period to which it relates.
- Dividend income is recognised when the right to receive payment is established.

2.3 Tangible fixed assets and depreciation

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

2. ACCOUNTING POLICIES (Continued)

2.3 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Office equipment - 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the statement of comprehensive income.

2.4 Fixed asset investments

Listed investments are carried at market value. Investments in subsidiary undertakings are carried at estimated market value, which is calculated based on net asset value. Investments in associated undertakings are carried at cost less provision for any impairment in value.

2.5 Operating leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease term.

2.6 Defined benefit pension scheme ("DBPS") and capital contribution reserve

For the company's DBPS the amounts charged to operating profit are the costs arising from employee service rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to the profit and loss account and is included within finance costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the defined benefit liability) are recognised immediately in other comprehensive income.

The company's DBPS is funded, with the assets of the scheme held separately from the company, in separate trustee administered funds. DBPS assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

2. ACCOUNTING POLICIES (Continued)

2.6 Defined benefit pension scheme ("DBPS") and capital contribution reserve (continued)

Relevant local members, previously members of Newspaper Society, make contributions directly to the pension scheme to reduce the pension deficit in line with the deed of covenant. These contributions meet the definition of capital contributions and are represented by a credit to the capital contribution reserve and matched by a corresponding debit to the pension liability. This is then released to the profit and loss reserve in the year as all conditions are met.

2.7 Provisions

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the profit and loss account in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

2.8 Current and Deferred Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

2. ACCOUNTING POLICIES (Continued)

2.8 Current and Deferred Taxation (continued)

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than twenty four hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Cash and cash equivalents include a balance of £453,000 of funds reserved for national members only.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Defined contribution pension scheme ("DCPS")

The company operates a DCPS for its employees. A DCPS is a pension scheme under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the scheme are held separately from the company in independently administered funds.

2. ACCOUNTING POLICIES (Continued)

2.13 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- At fair value with changes recognised in the profit and loss account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- At cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgements and estimates. The principal items in the financial statements where such judgements and estimates have been made are as follows:

3.1 Defined Benefit Pension Scheme ("DBPS")

DBPS accounting requires certain assumptions to be made in order to value the company's obligations to determine the charges to be made to the statement of comprehensive income. These amounts are particularly sensitive to changes in the following assumptions:

- A 0.1% decrease in the discount rate applied to DBPS liabilities would result in a 2% increase to the overall DBPS liability
- A 0.1% increase in the inflation linked assumptions would result in a 2% increase to the overall DBPS liability
- A one year increase in the life expectancy assumption would result in a 2% increase to the overall DBPS liability

3.2 Investment in Subsidiary Undertaking

The investment in the company's subsidiary undertaking is carried at estimated market value based on the subsidiary's net asset value. If the subsidiary undertaking's assets were not realised at their stated book value the investment's estimated market value could vary significantly from the amount currently stated. The subsidiary's assets principally comprise consideration receivable arising from the sale of the subsidiary's trade.

4. TURNOVER

	2015	*2014*
	£	*£*
Subscription income – Local Members	**1,227,334**	*1,465,273*
Subscription income – National Members	**1,334,020**	*1,276,942*
Other	**603,954**	*712,290*
	3,165,308	*3,454,505*

5. INTEREST RECEIVABLE

	2015	*2014*
	£	*£*
Interest income on deposits and bank accounts	**3,555**	*13,944*

6. FINANCE COSTS (NET)

	2015	*2014*
	£	*£*
Defined benefit pension scheme		
• Interest income	**364,000**	*392,000*
• Interest expense	**(440,000)**	*(425,000)*
	(76,000)	*(33,000)*

7. STAFF COSTS

The average number of people employed during the year was 13 (2014: 16). All personnel are engaged in the administration and provision of services to the members. Their aggregated remuneration comprised:

	2015 £	*2014 £*
Wages and salaries	**783,333**	*875,812*
Social security costs	**91,612**	*100,855*
Pension costs: defined benefit scheme	**36,060**	*76,794*
Pension costs: defined contribution scheme	**22,437**	*2,750*
Other staff costs	**54,970**	*63,491*
Redundancies	**-**	*60,858*
	988,412	*1,180,560*

8. OPERATING PROFIT

Is stated after charging:

	2015 £	*2014 £*
Depreciation of tangible fixed assets	**3,191**	*4,876*
Auditor's remuneration	**16,000**	*53,250*
Operating lease rentals: Land and buildings	**52,500**	*52,500*

The directors and the treasurer received no emoluments during the current and previous year.

9. TAXATION

Analysis of tax charge in the year	2015 £	*2014 £*
Current tax		
UK corporation tax charge on profit for the year (see below)	**-**	*23,063*
Adjustments in respect of prior periods	**(22,779)**	*(14,804)*
	(22,779)	*8,259*
Deferred tax		
Origination and reversal of timing differences (note 15)	**(106,977)**	*(17,123)*
Deferred tax on pension (note 17)	**76,400**	*38,518*
	(30,577)	*21,395*
Tax on profit on ordinary activities	**(53,356)**	*29,654*

9. TAXATION (Continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 20% (2014: 20%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	109,228	478,103
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014: 20%)	21,846	95,621
Effects of:		
Fair value (losses)/ gains on fixed asset investments	112,364	(2,612)
Dividend from subsidiary undertaking	(90,000)	-
Dividends from listed investments	(19,676)	(22,728)
Defined benefit pension scheme timing differences	(76,400)	(38,400)
Tax losses carried forward / (utilised)	38,426	(9,914)
Pre-merger profits	-	(21,681)
Other timing differences	13,440	22,777
Current tax charge for the year (see above)	-	23,063

Factors that may affect future tax charges

At 31 December 2015 trading corporation tax losses of approximately £700,000 (2014: £500,000) were being carried forward for relief against future trading profits. No deferred tax asset has been recognised in respect of those losses given the current uncertainty as to their utilisation.

10. TANGIBLE FIXED ASSETS

	Office equipment £
Cost	
1 January 2015	27,592
Additions	924
Disposals	(12,325)
31 December 2015	16,191
Depreciation	
1 January 2015	21,189
Change for the year	3,191
Disposals	(12,325)
31 December 2015	12,055
Net book value	
31 December 2015	**4,136**
31 December 2014	6,403

11. FIXED ASSET INVESTMENTS

	Works of Art £	Investment in Subsidiary Undertaking £	Cash at Brokers £	Listed Investments £	Total £
Cost or valuation					
1 January 2015	10,064	625,242	163,896	2,943,447	3,742,649
Additions	-	-	285,518	433,625	719,143
Disposals	(10,064)	-	(426,272)	(280,332)	(716,668)
Fair value adjustment	-	(450,831)	-	(110,990)	(561,821)
Dividends received	-	-	94,548	-	94,548
Management fees	-	-	(24,938)	-	(24,938)
31 December 2015	**-**	**174,411**	**92,752**	**2,985,750**	**3,252,913**
Net book value					
31 December 2015	**-**	**174,411**	**92,752**	**2,985,750**	**3,252,913**
31 December 2014	*10,064*	*625,242*	*163,896*	*2,943,447*	*3,742,649*

All fixed asset investments have been ring-fenced for local members and are reserved to be used to fund the deficit in the defined benefit pension scheme.

11. FIXED ASSET INVESTMENTS (Continued)

Subsidiary undertaking
At 31 December 2015 the company's sole subsidiary undertaking was Adstream Limited.

Adstream Limited is wholly owned and at 31 December 2015 had capital and reserves of £174,411 (2014: £625,786) and recorded a loss for the year then ended of £1,375 (2014 profit: £544).

Associated undertakings
National Readership Surveys Limited ("NRS") was an associated undertaking of the company at 31 December 2015. NRS's trading activity ceased with effect from 31 December 2015.

A new entity and associated undertaking of the company, Publishers Audience Measurement Company Limited ("PAMCO"), was set up during the year to continue the activity of audience research in use for print and digital advertising trading in Britain.

Both NRS and PAMCO are companies limited by guarantee and the company is one of three members of those entities, all three members having equivalent rights.

12. DEBTORS

	2015 £	*2014 £*
Trade debtors	**51,868**	*87,182*
Other debtors	**41,933**	*7,634*
VAT receivable	**79,111**	*67,695*
Prepayments and accrued income	**78,787**	*75,548*
	251,699	*238,059*

13. CREDITORS: amounts falling due within one year

	2015 £	*2014 £*
Trade creditors	**138,819**	*90,136*
Other taxation and social security	-	*35,584*
Corporation tax	-	*23,063*
Other creditors	**458,063**	*471,969*
Accruals and deferred income	**96,029**	*266,739*
	692,911	*887,491*

14. FINANCIAL INSTRUMENTS

	2015	2014
	£	£
Financial assets		
Financial assets measured at fair value through profit or loss	**2,985,750**	2,943,447
Financial assets that are debt instruments measured at amortised cost	**172,912**	162,511
	3,158,662	3,105,958
Financial liabilities		
Financial liabilities measured at amortised cost	**138,819**	125,720

Financial assets measured at fair value through the profit or loss account comprise listed investments.

Financial assets measured at amortised cost comprise trade debtors, other debtors and VAT receivable.

Financial liabilities measured at amortised cost comprise trade creditors, other taxes and social security creditors.

15. DEFERRED TAXATION

	2015	2014
	£	£
Brought forward	**198,389**	*215,512*
Movement in year	**(106,977)**	*(17,123)*
Carried forward	**91,412**	*198,389*

The provision for deferred taxation is made up as follows:

Revaluation gains on fixed asset investments	**91,412**	*198,389*

16. PROVISIONS

	2015	2014
	£	£
Brought forward	**13,334**	*124,000*
Provisions during the year	**10,000**	*10,000*
Write back during the year	-	*(75,666)*
Expenditure	-	*(45,000)*
Carried forward	**23,334**	*13,334*

Dilapidation provision

Amounts are transferred from the profit and loss account in order to provide for expected costs of refurbishment under leases for the company's office accommodation. Actual expenditure is charged directly to the provision account. The balance at the end of the year represents contractual obligations under current operating lease agreements.

17. PENSION COMMITMENTS

17.1 Summary

The company operates a defined benefit pension scheme ("the scheme"). The scheme ceased accrual with effect from 30 June 2015. This is a separate trustee administered fund holding the scheme assets to meet long term scheme liabilities. The liabilities have been calculated by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown in note 17.8 below.

The 1 December 2012 actuarial valuation carried out for the trustees showed a deficit of £3,416,000. The company has agreed with the trustees that it will aim to eliminate the deficit in the period from 1 July 2014 to 30 November 2025 by the payment of annual contributions of £428,000, paid on each 1 January in respect of the deficit. No further contributions are payable in respect of the cost accrual of benefits as the scheme ceased accrual with effect from 30 June 2015.

17.2 Present Value of Defined Benefit Obligation, Fair Value of Assets and Scheme Liability

	2015 **£**	*2014* *£*
Present value of funded obligations	**(12,561,000)**	*(12,385,000)*
Fair value of scheme assets	**10,926,000**	*9,801,000*
Deficit in scheme	**(1,635,000)**	*(2,584,000)*
Related deferred tax asset	**327,000**	*516,800*
Net liability	**(1,308,000)**	*(2,067,200)*

17.3 Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation

	2015 **£'000**	*2014* *£'000*
Opening balance	**12,385**	*9,294*
Current service cost	**28**	*72*
Expenses	**17**	*4*
Interest expense	**440**	*425*
Contributions by scheme participants	**10**	*30*
Actuarial (losses)/gains	**(294)**	*2,564*
Benefits paid and expenses	**(25)**	*(4)*
Closing balance	**12,561**	*12,385*

17. PENSION COMMITMENTS (Continued)

17.4 Reconciliation of Opening and Closing Balances of the Fair Value of Scheme Assets

	2015 £'000	*2014 £'000*
Opening balance	**9,801**	*8,262*
Interest income	**364**	*392*
Actuarial (losses)/gains	**(145)**	*408*
Contributions by the company	**503**	*301*
Contributions by third party	**418**	*412*
Contributions by scheme participants	**10**	*30*
Benefits paid and expenses	**(25)**	*(4)*
Closing balance	**10,926**	*9,801*

17.5 Defined Benefit Costs Recognised in Profit and Loss Account

	2015	*2014*
Current service cost	**28**	*72*
Expenses	**17**	*4*
Net interest cost	**76**	*33*
	121	*109*

17.6 Defined Benefit Costs Recognised in Other Comprehensive Income

	2015	*2014*
Return on plan assets (excluding amounts included in net interest cost): (loss)/gain	**(145)**	*408*
Experience gains/(loss) arising on the plan liabilities: gain/(loss)	**1**	*(162)*
Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities: gain/(loss)	**293**	*(2,402)*
	149	*(2,156)*

17. PENSION COMMITMENTS (Continued)

17.7 Assets

	2015	*2014*	2013
	£'000	*£'000*	£'000
Insurance Policies	**-**	*9,367*	8,262
Corporate Bonds	**3,134**	-	-
Diversified Growth Funds	**6,122**	-	-
Property	**1,149**	-	-
Cash	**521**	*434*	-
	10,926	*9,801*	8,262

None of the fair values of the assets shown above include any direct investments in the company's own financial instruments or any property occupied by, or other assets used by, the company.

17.8 Assumptions

	2015	*2014*
	%	*%*
Discount rate	**3.85**	*3.55*
Inflation (RPI)	**3.20**	*3.10*
Inflation (CPI)	**2.20**	*2.10*
Allowance for revaluation of deferred pensions of CPI or 5% per annum if less	**2.20**	*2.10*
Allowance for revaluation of deferred pensions of RPI or 5% per annum if less	**3.20**	*3.10*

The mortality assumptions adopted at 31 December 2015 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2015	22.9
Female retiring in 2015	25.3
Male retiring in 2035	24.8
Female retiring in 2035	27.2

The best estimate of contributions to be paid by the company to the scheme for the year commencing 1 January 2016 is £428,000.

18. OPERATING LEASE COMMITMENTS

At 31 December 2015 the company held annual commitments under non-cancellable land and buildings operating leases as follows:

	2015	*2014*
	£	*£*
Expiry date:		
Within two to five years	**52,500**	*52,200*

19. PROFIT AND LOSS ACCOUNT

	Local	**National**	**Shared**	**Total**
	£	**£**	**£**	**£**
1 January 2015	1,361,333	272,606	160,000	1,793,939
Profit for the financial year	17,594	150,370	(5,381)	162,584
Defined benefit pension scheme liability movements included within other comprehensive income	453,600	-	-	453,600
31 December 2015	**1,832,527**	**422,976**	**154,619**	**2,410,123**

The above results have been determined by allocating the annual results according to the benefits enjoyed by the local and national members and in respect of the ring-fenced balances attributed to one category of members or the other. Local and national members have contributed £Nil (2014: £80,000) each during the year to a shared NMA reserve.

20. RELATED PARTY TRANSACTIONS

During the year the company received dividends from its subsidiary undertaking of £450,000 (2014: £Nil) and received a management charge of £Nil (2014: £40,000) from that entity.

At 31 December 2015 and 31 December 2014 no intercompany balances existed between the company and its subsidiary undertaking.

All members, including those represented by the board, pay subscriptions and purchase other services from the company. The board of directors are representatives from NMA member companies and, as such, are also identified as related parties.

21. FIRST TIME ADOPTION OF FRS102

Year ended 31 December 2014	As Previously Stated £	Effect of transition £	*FRS 102 (as restated) 31 December* £
Turnover	3,454,505	-	3,454,505
Cost of sales	(1,176,560)	(4,000)	(1,180,560)
Administrative expenses	(1,789,844)	-	(1,789,844)
Interest receivable and similar income	13,944	-	13,944
Fair value gains on fixed assets investment	-	13,058	13,058
Other finance income	50,000	(83,000)	(33,000)
Tax on profit on ordinary activities	(46,936)	17,282	(29,654)
Profit for the financial year	505,109	(56,660)	448,449

No restatement to the statement of financial position at 31 December 2014 is required following the first time adoption of FRS102 other than the reclassification of the revaluation reserve to the profit and loss account reserve as detailed in the statement of changes in equity.