

**THE EDUCATIONAL RECORDING AGENCY LIMITED**  
**(A Company Limited by Guarantee)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2020**

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**THE EDUCATIONAL RECORDING AGENCY LIMITED**  
**(A Company Limited by Guarantee)**

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**COMPANY INFORMATION**

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<b>Directors</b>	Deborah Claire Annetts Jeremy Christian Richard Bell Andrew Robert Chowns (resigned 30 April 2020) Richard Combes Tom De Lange Mary Bridget Egan Karen Estelle Fishman Elizabeth Sarah Gibson Andrew Harrower (resigned 17 April 2020; reappointed 4 May 2020) Caroline Jane Hyndman William Reid Jackson Jeremy Kimberlin Leslie Guy Lavender Marcus James Lee lestyn Sion Morris John Vincent Peter O'Sullivan Christine Grace Payne Andrew Dunlop Provan (appointed 17 April 2020) Paul Fernand Andrew Seheult Horace Trubridge Jonathan William Vandermeer Kiaron James Whitehead Christian Zimmermann
<b>Company secretary</b>	Helena Djurkovic
<b>Registered number</b>	02423219
<b>Registered office</b>	5th Floor, Shackleton House 4 Battle Bridge Lane London SE1 2HX
<b>Independent auditors</b>	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

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**THE EDUCATIONAL RECORDING AGENCY LIMITED**  
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**CONTENTS**

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	Page
<b>Directors' Report</b>	1 - 5
<b>Independent Auditors' Report</b>	6 - 8
<b>Statement of Comprehensive Income</b>	9
<b>Balance Sheet</b>	10
<b>Notes to the Financial Statements</b>	11 - 18

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**THE EDUCATIONAL RECORDING AGENCY LIMITED**  
**(A Company Limited by Guarantee)**

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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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The directors present their report and the financial statements for the year ended 31 March 2020.

**Principal activity and review of business**

The principal activity of the company is the issuing of licences for educational use of copyright works and performances to educational bodies in return for licence fees which, after deduction of expenses, are distributable to members.

The use of broadcast materials in class by teachers and lecturers is a powerful tool for enhancing teaching and learning at all levels of education from primary to tertiary. Television and radio content provides a highly effective means of illustrating and explaining complex concepts, engaging students and stimulating debate. Such is the range and quality of broadcast resources available under the ERA Licence that materials are available that closely match the curricular and learning requirements of students across the vast majority of subjects and at all levels of study.

ERA's primary strategic objective is to maximise the value that licensees derive from the ERA License by providing educators with both the knowledge and tools necessary to exploit the powerful pedagogical benefits that can be derived from integrating broadcast resources into wider teaching and learning. ERA invests heavily in communications and outreach to ensure licensees understand how best to unlock the full potential of broadcast recordings. It also invests in tools to help licensees identify and access the most appropriate broadcast content to stimulate the learning potential of children and young adults.

Over the course of 2019-20 it has produced and promoted a wide range of carefully curated selections of programmes and clips that match the curricular specifications of the most widely taught subjects at secondary school. In addition, it has launched the Natural Curriculum, ([www.naturalcurriculum.co.uk](http://www.naturalcurriculum.co.uk)), a free online resource that supports the teaching of literacy by providing primary school teachers with a comprehensive curriculum programme designed around BBC natural history clips. The concept is the brainchild of a Bristol-based primary school teacher, David Millington, who recognises the potential of natural history clips to ignite children's imagination and the value of working collaboratively with other teachers to produce inspiring teaching resources for educators across the country. ERA has not only funded the development of the website but has also contributed to the creation and design of resources hosted on the site. The site launched with Year 5 Literacy but expansion into other year groups and subjects is planned.

The closure of schools as a result of the coronavirus pandemic and the consequent explosion in home-learning at the end of the 2019-20 financial year, prompted ERA to accelerate development plans for the Natural Curriculum. From April 2020 home-learning resources for years 1 to 6 began to be added on a weekly basis and June 2020 saw the launch of a comprehensive range of lesson plans, covering all Year 4 literacy objectives.

ERA's efforts to support licensees during the coronavirus crisis have extended beyond the school sector. To support licensees operating within the FE sector, ERA has produced curated playlists for some of the most popular subjects studied within FE colleges, including Business & Management and Health & Social Care. Concurrently, in recognition of the challenges faced by institutions of higher education in ensuring all students can continue to access to educational resources online, ERA has entered into a unique collaboration with the BBC and Learning on Screen, owners of Box of Broadcasts, to enable temporary offshore access to recordings of programmes on the BBC News Channel. The ERA Licence is limited to the UK but with the generosity of the BBC and other rights-holders, ERA has been able to secure the necessary permissions to allow selective offshore access through Box of Broadcasts.

ERA takes its responsibilities to the education sector in the UK extremely seriously and will continue to ensure that the ERA licence helps facilitate improvements in teaching and learning throughout the country.

**Results and dividends**

The surplus for the year, after taxation, amounted to £3,230 (2019: loss of £1,633).

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**THE EDUCATIONAL RECORDING AGENCY LIMITED**  
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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**Directors**

The directors who served during the year were:

Ms D C Annetts  
Mr J C R Bell  
Mr A R Chowns  
Mr R Combes  
Mr T De Lange  
Mr M Egan  
Ms K E Fishman  
Ms E S Gibson  
Mr A Harrower  
Ms C J Hyndman  
Mr W R Jackson  
Mr J Kimberlin  
Mr L G Lavender  
Mr M J Lee  
Mr I S Morris  
Mr J V P O'Sullivan  
Mrs C G Payne  
Mr P F A Seheult (appointed 28th January 2020)  
Mr H Trubridge  
Mr J W Vandermeer  
Mr K J Whitehead  
Mr C Zimmermann

**Membership**

PICSEL became a member of ERA on 16 January 2020.

The number of members represented during the year was 22 (2019: 21) ERA Licences do not include any Extended Collective Licensing Scheme.

**Share capital and structure**

ERA is a private company limited by guarantee and has no share capital. ERA owns one dormant subsidiary company, Educational Resource Agency Limited.

ERA operates, on a not-for-profit basis, as a collective management organisation for the purposes of The Collective Management of Copyright (EU Directive) Regulations 2016 ("the CMO Regulations").

Each Member of ERA is entitled to nominate one representative who, subject to election by the Members of ERA, is then invited to be a non-executive Director of ERA.

Each non-executive Director of ERA also forms part of the supervisory function of ERA for the purposes of compliance with the Regulations.

Procedures for the appointment of Directors are set out in the Articles of Association of ERA. Directors may appoint alternates to attend Board meetings in their absence.

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**THE EDUCATIONAL RECORDING AGENCY LIMITED**  
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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**Distribution policy**

ERA Members have approved the Distribution Policy applied by ERA for the purposes of proposing and (subject to required approvals) making distributions to ERA Members.

The company seeks approval from the Members for distribution of earned licence fees under the ERA Licensing Scheme.

The approved Distribution Policy is published on the ERA website at [www.era.org.uk](http://www.era.org.uk).

Four Distributions were made to ERA Members during the year ended 31 March 2020.

The total sums distributed were:

£2,900,000 on 30 June 2019  
£2,950,000 on 31 October 2019  
£2,950,000 on 31 December 2019  
£3,075,000 on 31 March 2020

The total amount distributed to right holders during the year was £11,875,000

**Share capital and distribution**

All licences issued during the year ended 31 March 2020 were in the form of the current ERA Licence and the categories and types of rights represented by ERA on behalf of its Members is set out within the terms and conditions of the ERA Licence.

As at 1 April 2019 ERA held £2,170,012 as licence fees collected from educational establishments of Further and Higher Education and additional educational licences, such as language schools, whose ERA Licences ran from 1 August 2018 to 31 July 2019. Schools licences are issued to apply from 1 April to 31 March annually. An additional amount of £50,505 was undistributed at 1 April 2019 meaning the total amount held by ERA on behalf of its Members was £2,220,517 at this date.

As at 1 April 2020 ERA held £2,147,022 as licence fees collected from educational establishments of Further and Higher education whose licences run from 1 August 2019 to 31 July 2020. These sums relate to licence fees relevant for the period 1 April 2020 and fall due for distribution in the financial year commencing 1 April 2020. An additional amount of £215,181 was undistributed as at 31 March 2020 meaning the total amount held by ERA on behalf of its Members was £2,362,203 at this date.

The total revenue from the current ERA Licence during the year ended 31 March 2020 was £12,607,052. No sums were held by ERA as non-distributable amounts.

The total costs incurred in administering licences during the year were £638,688 (2019: £880,182).

No remuneration was paid to directors during the year. Details of payments made for insurance to cover its Directors and Officers against liabilities can be found in Note 6 to the accounts.

**Code of Conduct**

The company has adopted and published a Code of Conduct relating to its operations.

The Code of Conduct has been made available to the Members and is posted on the company website at [www.era.org.uk](http://www.era.org.uk).

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**THE EDUCATIONAL RECORDING AGENCY LIMITED**  
**(A Company Limited by Guarantee)**

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**Reserves**

In accordance with the company Policy on Deductions approved by ERA Members, the Directors have agreed that it is prudent for a provision of around £30,000 to be held by the company as unrestricted reserves to meet the obligations of the Company.

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**THE EDUCATIONAL RECORDING AGENCY LIMITED**  
**(A Company Limited by Guarantee)**

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**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 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 for the Company's financial statements 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 to 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 auditors**

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the 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 auditors are aware of that information.

**Small companies note**

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 16 July 2020

and signed on its behalf.



Helena Djurkovic  
Secretary



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**THE EDUCATIONAL RECORDING AGENCY LIMITED**  
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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE EDUCATIONAL RECORDING AGENCY LIMITED**

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**Opinion**

We have audited the financial statements of The Educational Recording Agency Limited (the 'Company') for the year ended 31 March 2020, which comprise the Profit and Loss Account, the Balance Sheet and the related notes, 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 Financial Reporting Standard 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 March 2020 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.

**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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. 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

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**THE EDUCATIONAL RECORDING AGENCY LIMITED**  
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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE EDUCATIONAL RECORDING AGENCY LIMITED (CONTINUED)**

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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.

**Opinion 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 5, 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.

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**THE EDUCATIONAL RECORDING AGENCY LIMITED**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE EDUCATIONAL RECORDING AGENCY LIMITED (CONTINUED)**

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**Auditors' 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 Auditors' 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

This report is made solely to the Company's shareholders 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 shareholders those matters we are required to state to them in an Auditors' 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 shareholders for our audit work, for this report, or for the opinions we have formed.



Thomas Wilson (Senior Statutory Auditor)

for and on behalf of  
**Haysmacintyre LLP**

Statutory Auditors

10 Queen Street Place  
London  
EC4R 1AG  
Date: 25 August 2020

**THE EDUCATIONAL RECORDING AGENCY LIMITED**  
(A Company Limited by Guarantee)

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £	2019 £
Income		567,359	819,958
Direct costs		(84,922)	(82,192)
<b>Gross surplus</b>		<b>482,437</b>	<b>737,766</b>
Administrative expenses		(553,765)	(797,990)
<b>Operating deficit</b>	4	<b>(71,328)</b>	<b>(60,224)</b>
Interest receivable and similar income		75,164	60,224
<b>Surplus/ (deficit) before tax</b>		<b>3,836</b>	<b>-</b>
Tax on surplus/ (deficit)		(606)	(1,663)
<b>Surplus/ (deficit) for the financial year</b>		<b>3,230</b>	<b>(1,663)</b>

There was no other comprehensive income for 2019 (2018: £Nil).

The notes on pages 11 to 18 form part of these financial statements.

**THE EDUCATIONAL RECORDING AGENCY LIMITED**  
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**REGISTERED NUMBER: 02423219**

**BALANCE SHEET**  
**AS AT 31 MARCH 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	7	15,523	31,277
Investments	8	1	1
		<u>15,524</u>	<u>31,278</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	665,418	628,667
Cash at bank and in hand	10	1,755,370	1,635,564
		<u>2,420,788</u>	<u>2,264,231</u>
Creditors: amounts falling due within one year	11	(2,408,312)	(2,270,739)
<b>Net current assets/(liabilities)</b>		<u>12,476</u>	<u>(6,508)</u>
<b>Total assets less current liabilities</b>		<u>28,000</u>	<u>24,770</u>
<b>Net assets</b>		<u>28,000</u>	<u>24,770</u>
<b>Reserves</b>			
Income and expenditure account		28,000	24,770
		<u>28,000</u>	<u>24,770</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

*Deborah Claire Annetts*

**Deborah Claire Annetts**  
 Director

Date: 16 July 2020

The notes on pages 11 to 18 form part of these financial statements.

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**THE EDUCATIONAL RECORDING AGENCY LIMITED**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**1. General information**

These financial statements are presented in Pounds Sterling (GBP), as this is the currency in which all of the Company's transactions are denominated.

The Company is a United Kingdom company limited by guarantee and is incorporated in England.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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 following principal accounting policies have been applied:

**2.2 Going concern**

These financial statements have been prepared using the going concern basis of accounting. Costs are covered by retaining the necessary amount from fees collected on behalf of the members. Management are confident that fees receivable will continue to cover the expenses and liabilities incurred by the Company.

The Directors have reviewed their forecasts and cash flow requirements for 12 months from the intended date of sign off, these include considerations of the impact of Covid-19 on the Company. The Directors consider that the company will have adequate working capital available to continue in operational existence for the foreseeable future. They believe the going concern basis of accounting is appropriate for these annual financial statements.

**2.3 Income**

Income relates to the principal activity of issuing licenses for off air recording and educational use of copyright works and performances to educational establishments and represents fee revenue retained by the company to cover operating overheads. Therefore, revenue is recognised based on expenses and services that have occurred in the year.

**2.4 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

**2.5 Interest income**

Interest income is recognised in the Profit and Loss Account using the effective interest method.

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**THE EDUCATIONAL RECORDING AGENCY LIMITED**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**2. Accounting policies (continued)**

**2.6 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan 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 plan are held separately from the Company in independently administered funds.

**2.7 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 charge 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.

**2.8 Tangible fixed assets**

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.

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.

Depreciation is provided on the following basis:

Short-term leasehold property	- Over the term of the lease
Fixtures and fittings	- 15% per annum on cost
Office equipment	- 20%/33.33% per annum on cost

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 in the Profit and Loss Account.

**2.9 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

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**THE EDUCATIONAL RECORDING AGENCY LIMITED**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**2. Accounting policies (continued)**

**2.10 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in 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 debtors and creditors, 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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.

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses and liabilities. Use of available information and application of judgment are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The only significant judgement made by the directors is the treatment of the license fee as an agent arrangement. The directors treat the license fee as being collected as an agent on behalf of its members and income recognised in these financial statements is recognised to cover the administration costs of the company.



**THE EDUCATIONAL RECORDING AGENCY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**4. Operating loss**

The operating loss is stated after charging:

	<b>2020</b>	<i>2019</i>
	£	£
Depreciation of tangible fixed assets	<b>15,803</b>	22,745
Fees payable to the Company's auditor of the Company's annual financial statements	<b>9,350</b>	9,000
Other operating lease rentals	<b>16,367</b>	17,034
	<u><b>          </b></u>	<u><b>          </b></u>

**5. Employees**

The average monthly number of employees during the year was as follows:

	<b>2020</b>	<i>2019</i>
	No.	No.
Employees	<b>6</b>	6
	<u><b>          </b></u>	<u><b>          </b></u>

**6. Directors' remuneration**

	<b>2020</b>	<i>2019</i>
	£	£
Aggregate remuneration	<b>2,100</b>	2,184
	<u><b>          </b></u>	<u><b>          </b></u>
	<u><b>2,100</b></u>	<u><b>2,184</b></u>

The emoluments disclosed above represent the payment by the company of insurance to cover its Directors and Officers against liabilities in relation to their duties to the company.

**THE EDUCATIONAL RECORDING AGENCY LIMITED**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**7. Tangible fixed assets**

	Leasehold property improvements £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>				
At 1 April 2019	16,230	8,374	41,995	66,599
Additions	-	51	-	51
At 31 March 2020	<u>16,230</u>	<u>8,425</u>	<u>41,995</u>	<u>66,650</u>
<b>Depreciation</b>				
At 1 April 2019	2,489	2,514	30,321	35,324
Charge for the year on owned assets	3,733	1,256	10,814	15,803
At 31 March 2020	<u>6,222</u>	<u>3,770</u>	<u>41,135</u>	<u>51,127</u>
<b>Net book value</b>				
At 31 March 2020	<u>10,008</u>	<u>4,655</u>	<u>860</u>	<u>15,523</u>
At 31 March 2019	<u>13,742</u>	<u>5,860</u>	<u>11,675</u>	<u>31,277</u>

**8. Fixed asset investments**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 April 2019	1
At 31 March 2020	<u>1</u>

**THE EDUCATIONAL RECORDING AGENCY LIMITED**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**8. Fixed asset investments (continued)**

**Subsidiary undertaking**

The following was a subsidiary undertaking of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Educational Resource Agency Limited	England	Dormant	Ordinary	100%

The aggregate of the share capital and reserves as at 31 March 2020 and the profit or loss for the year ended on that date for the subsidiary undertaking was as follows:

<b>Name</b>	<b>Aggregate of share capital and reserves</b>
Educational Resource Agency Limited	<b>1</b>

The Subsidiary has been dormant since incorporation. Its registered office is 5th Floor, Shackleton House, 4 Battle Bridge Lane, London, England, SE1 2HX.

Under the provision of section 398 of the Companies Act 2006 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

**9. Debtors**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>1,599</b>	<b>1,256</b>
Other debtors	<b>610,267</b>	<b>580,885</b>
Prepayments and accrued income	<b>48,735</b>	<b>43,184</b>
Deferred taxation	<b>4,817</b>	<b>3,342</b>
	<b>665,418</b>	<b>628,667</b>

**THE EDUCATIONAL RECORDING AGENCY LIMITED**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**10. Cash and cash equivalents**

	<b>2020</b>	<i>2019</i>
	£	£
Cash at bank and in hand	<b>1,755,370</b>	<i>1,635,562</i>
	<u><b>1,755,370</b></u>	<u><i>1,635,562</i></u>

**11. Creditors: Amounts falling due within one year**

	<b>2020</b>	<i>2019</i>
	£	£
Trade creditors	<b>14,901</b>	<i>19,991</i>
Amounts owed to group undertakings	<b>1</b>	<i>1</i>
Amounts owed to members	<b>2,362,203</b>	<i>2,220,517</i>
Corporation tax	<b>3,160</b>	<i>2,024</i>
Other taxation and social security	<b>9,320</b>	<i>7,020</i>
Accruals and deferred income	<b>18,727</b>	<i>21,186</i>
	<u><b>2,408,312</b></u>	<u><i>2,270,739</i></u>

**12. Deferred taxation**

	<b>2020</b>	
	£	
At beginning of year		<b>3,342</b>
Charged to the profit or loss		<b>1,475</b>
<b>At end of year</b>		<u><b>4,817</b></u>
		<u><b>4,817</b></u>
	<b>2020</b>	<i>2019</i>
	£	£
Tax losses carried forward	<b>4,817</b>	<i>3,342</i>
	<u><b>4,817</b></u>	<u><i>3,342</i></u>

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**THE EDUCATIONAL RECORDING AGENCY LIMITED**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**13. Company status**

The company is a private company limited by guarantee and consequently does not have share capital.

**14. Commitments under operating leases**

At 31 March 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	16,367	16,367
Later than 1 year and not later than 5 years	30,006	46,373
	<u>46,373</u>	<u>62,740</u>

**15. Related party transactions**

No transactions with related parties were undertaken such as are required to be disclosed under FRS 102.

**16. Members' liability**

The members of the company are the subscribing members of the Association at any one time, and their liability, in the event of the winding-up of the Association, is limited to £1 per member.

The company is a private company limited by guarantee and consequently 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 a liquidation.

**17. Controlling party**

In the opinion of the directors there is no controlling party.