Company number 01818862

VIDEO PERFORMANCE LIMITED

(A company limited by guarantee)

STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

VIDEO PERFORMANCE LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their Strategic Report on Video Performance Limited (VPL) for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES
VPL's principal activity during the year was the collection and distribution of licence fees for the broadcasting and public performance of music videos on behalf of its members. The total amount available for distribution in the Statement of Comprehensive Income is distributed to its members, with the intention that there are no retained reserves at any particular Statement of Financial Position date.

BUSINESS REVIEW
During the year VPL collected licence fee income of £8.8 million (2015: £9.4 million) and had net distributable revenue of £7.9 million (2015: £8.4 million).

The Statement of Financial Position reflects a nil net asset position. Despite this, management considers the going concern basis of accounting to be appropriate as the timing of liabilities to members is at the discretion of VPL. In addition, the sufficient cash reserves coupled with VPL's ability to generate cash provides adequate resources to continue in operational existence for the foreseeable future.

A significant development during 2016 was that strong progress was made towards the setting up of the joint venture in the area of public performance licensing between Phonographic Performance Limited (PPL) and PRS for Music Limited. VPL's public performance licensing is currently undertaken by PPL resource and will therefore fall within scope of this. Regulatory clearance was received from the Competition and Markets Authority and the parties have announced that the location of the new joint venture premises will be Leicester.

KEY PERFORMANCE INDICATORS
VPL considers its key performance indicators to be income growth, net distributable revenue growth and cost to income ratio. Total income decreased in the year to 31 December 2016 by £0.6 million (6.0%) to £8.8 million from £9.4 million in 2015. Total net distributable revenue decreased in the year by 6.7% from £8.4 million to £7.9 million. The cost to income ratio for 2016 was 11.4% and has increased from 10.7% in 2015.

PRINCIPAL RISKS AND UNCERTAINTIES
The directors and management of VPL are aware of their responsibility for managing risk and regularly evaluate the risks and uncertainties that could affect future performance.

As at the end of 2016, there is uncertainty in the geopolitical landscape that may bring tougher economic conditions for both VPL's licensees and members. For VPL, the economy continues to play a part in the company's ability to collect licensing income. VPL members have also been impacted by the changes within the music business, particularly with increasing access to music videos via online services meaning their 'use' in the broadcasting and public performance markets has been in decline.

Liquidity risk is mitigated by actively managing cash generation and funding requirements. Distribution payments to members are only made on licence fees collected. Price risk occurs where new licence arrangements are challenged. Legislative risk occurs where VPL is subject to any changes to copyright law.

By order of the Board

D HARMSWORTH
SECRETARY
21 March 2017

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016

The directors submit their Report of the Directors and the audited financial statements of VPL to the members for the year ended 31 December 2016.

FUTURE DEVELOPMENTS
The company's business activities and factors likely to affect its future performance are set out in the Strategic Report.

FINANCIAL RISK MANAGEMENT
The company's assessment of its exposure to elements of financial risk are set out in the Strategic Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Strategic Report, Report of the Directors and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

The directors 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DISCLOSURE OF INFORMATION TO AUDITORS
In the case of each of the persons who are directors at the time when the report is approved, the following applies:

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

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

DIRECTORS

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

J French
G Kempin
P Leathem
J Radice
A Sear
M Smith
S Wheeler

By order of the Board

D HARMSWORTH
SECRETARY
21 March 2017

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VIDEO PERFORMANCE LIMITED

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion, Video Performance Limited's financial statements (the "financial statements"):

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

What we have audited

The financial statements, included within the Strategic Report, Report of the Directors and financial statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 31 December 2016;
- the Statement of Comprehensive Income for the year then ended;
- the Cash Flow Statement for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

OPINION ON OTHER MATTER 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Report of the Directors. We have nothing to report in this respect.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VIDEO PERFORMANCE LIMITED

We have no exceptions to report arising from this responsibility.

Directors' remuneration
Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors
As explained more fully in the Statement of Directors' Responsibilities set out on page 3, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VIDEO PERFORMANCE LIMITED

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Report of the Directors, we consider whether those reports include the disclosures required by applicable legal requirements.

Jonathan Ford (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
21 March 2017

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £000	2015 £000
LICENCE FEE INCOME	2	8,830	9,395
Cost of collection and distribution		(1,004)	(1,003)
NET INCOME BEFORE INTEREST AND TAXATION	3	7,826	8,392
Interest receivable	4	43	39
NET INCOME BEFORE TAXATION		7,869	8,431
Taxation	6	-	-
AMOUNT AVAILABLE FOR DISTRIBUTION		7,869	8,431
Amount to be distributed to members		(7,869)	(8,431)
RETAINED RESERVES		-	-
Cost to income ratio		11.4%	10.7%

The results above for the current and prior year refer entirely to continuing operations.

There was no other comprehensive income or expense for the current or prior financial year other than as stated in the Statement of Comprehensive Income, and hence no Statement of Other Comprehensive Income has been presented.

VIDEO PERFORMANCE LIMITED

COMPANY NUMBER: 01818862

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 £000	2016 £000	2015 £000	2015 £000
FIXED ASSETS					
Intangible assets	7		-		-
CURRENT ASSETS					
Licence fees receivable		1,172		1,467	
Other debtors		1		15	
Prepayments and accrued income		556		244	
Short term fixed deposits		3,000		6,500	
Cash at bank and in hand		2,740		576	
		7,469		8,802	
CREDITORS: amounts falling due within one year	8	(7,415)		(8,748)	
NET CURRENT ASSETS			54		54
TOTAL ASSETS LESS CURRENT LIABILITIES			54		54
PROVISIONS FOR LIABILITIES	9		(54)		(54)
NET ASSETS			-		-
RESERVES					
Retained earnings			-		-

The financial statements on pages 8 to 22, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Cash Flow Statement and the related notes were approved by the Board of directors on 21 March 2017 and are signed on its behalf by:

Peter Leathem

P Leathem
Director

M Smith

M Smith
Director

VIDEO PERFORMANCE LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Retained Earnings £000
Balance as at 1 January 2015	
Result for the financial year	-
Other comprehensive income for the year	-
Total comprehensive income for the year	-
Balance as at 31 December 2015	-
Result for the financial year	-
Other comprehensive income for the year	-
Total comprehensive income for the year	-
Balance as at 31 December 2016	-

VIDEO PERFORMANCE LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £000	2015 £000
NET CASH FLOW FROM OPERATING ACTIVITIES	10	7,054	8,322
Taxation paid		-	-
Net cash generated from operating activities		7,054	8,322
CASH FLOW FROM INVESTING ACTIVITIES			
Interest received		58	34
Cash inflow/(outflow) for investment		3,500	(1,500)
Net cash generated from/(used in) investing activities		3,558	(1,466)
CASH FLOW FROM FINANCING ACTIVITIES			
Payments to members		(8,448)	(8,550)
Net cash used in financing activities		(8,448)	(8,550)
NET INCREASE / (DECREASE) IN CASH AT BANK AND IN HAND		2,164	(1,694)
Cash and cash equivalents at the beginning of the year		576	2,270
Cash and cash equivalents at the end of the year		2,740	576
Cash and cash equivalents comprises of:			
Cash at bank and in hand		2,740	576
Total cash and cash equivalents		2,740	576

1. ACCOUNTING POLICIES

General Information

VPL is a private company limited by guarantee. The address of its registered office is 1 Upper James Street, London, W1F 9DE, United Kingdom.

The principal activity of the company was the collection and distribution of licence fees for the broadcasting and public performance of music videos on behalf of its members.

Statement of compliance

The financial statements of Video Performance Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of accounting

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and Applicable Accounting Standards in the United Kingdom.

b) Going concern

On the basis of their assessment of the company's financial position and resources, the directors believe that the company is well placed to manage its business risks. Management considers the going concern basis to be appropriate as the timing of current liabilities payable to members is at the discretion of VPL. Therefore the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

c) Format of the Statement of Comprehensive Income and the Statement of Financial Position

The formats of the Statement of Comprehensive Income and the Statement of Financial Position have been adapted from that prescribed by the Companies Act 2006 in order to better reflect the nature of the business.

1. ACCOUNTING POLICIES (continued)

d) Foreign currencies

i) Functional and presentation currency
The company's functional and presentation currency is the pound sterling.

ii) Transactions and balances
Monetary assets and liabilities are translated into sterling at the rates of exchange ruling at the reporting date. Foreign currency transactions during the year are translated into sterling at the rate ruling on the date of the transaction. All foreign exchange differences are taken to the Statement of Comprehensive Income in the year in which they arise.

e) Licence fee income

Licence fee income, which excludes value added tax, represents the invoiced value and is recognised evenly over the period of the licence term.

In the absence of an invoice, broadcasting income is accrued based on the amount agreed in the contract.

f) Employee benefits

The company provides a range of benefits to employees, including paid holiday arrangements and defined benefit and defined contribution pension plans.

i) Short term benefits
Short term benefits including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

ii) Defined benefit pension plan
Certain VPL directors participate in the Phonographic Performance Limited ('PPL') defined benefit scheme. The amounts in respect of these VPL directors are recognised in the PPL Statement of Comprehensive Income and Statement of Financial Position. Full disclosure in respect of the defined benefit scheme can be found in the PPL financial statements.

g) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Current or deferred taxation assets and liabilities are not discounted.

i) Current tax
Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

1. ACCOUNTING POLICIES (continued)

g) Taxation (continued)

ii) Deferred taxation
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date. A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax is measured on a non-discounted basis.

h) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

Software – 3 to 5 years

Costs associated with maintaining computer software are recognised as an expense as incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets when the following criteria are met:
- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

i) Cash and cash equivalents

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

1. ACCOUNTING POLICIES (continued)

j) Provisions for liabilities

i) Dilapidations
Provision is made for dilapidations where the lease requires the reinstatement of the premises to its original state. The level of provision is based upon a damages report and is reviewed annually.

k) Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

i) Financial assets
Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price, 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. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Comprehensive Income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Comprehensive Income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii) Financial liabilities
Basic financial liabilities, including trade creditors and short term loans, are initially recognised 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

1. ACCOUNTING POLICIES (continued)

k) Financial instruments (continued)

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The company does not hold or issue derivative financial instruments.

iii) Offsetting
Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

l) Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Intangible assets
FRS 102 requires judgement to be exercised when determining whether software costs should be recognised as tangible or intangible assets. Where software is regarded an integral part of the related hardware and the hardware cannot operate without the particular piece of software, it is to be treated as a tangible asset. However, where the software is not an integral part of the related hardware, computer software is to be treated as an intangible asset. Management have decided that the software costs are not an integral part of the related hardware and so have classified these costs as an intangible asset.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. LICENCE FEE INCOME

	2016 £000	2015 £000
Analysis of turnover by licence type:		
Broadcasting and video store income	7,425	7,919
Public performance and dubbing income	1,405	1,476
	8,830	9,395
Analysis of turnover by territory of origin:		
United Kingdom	8,830	9,392
Rest of Europe	-	3
	8,830	9,395

3. NET INCOME BEFORE INTEREST AND TAXATION

	2016 £000	2015 £000
Net income before interest and taxation is stated after charging:		
Services provided by the company's auditors:		
Fees payable for the audit	14	13
Fees payable for other services:		
Audit-related assurance services	1	2

4. INTEREST RECEIVABLE

	2016 £000	2015 £000
Interest receivable on cash at bank and short term deposits	43	39

5. STAFF COSTS

	2016 £000	2015 £000
Gross staff costs:		
Wages and salaries	639	653
Social security costs	-	2
Other pension costs	-	6
	639	661

Other pension costs represents contributions payable and other associated costs in respect of the defined contribution scheme.

	Number 2016	Number 2015
Monthly average number of employees:		
Office and management	-	1

Wages and salaries include recharged costs from Phonographic Performance Limited. Social security and other pension costs only include costs incurred directly by Video Performance Limited in respect of its employees.

Directors' emoluments:

Video Performance Limited paid no directors' remuneration during the year (2015: £-). Full salary and related costs in respect of P Leathem were incurred by Phonographic Performance Limited and recharged to Video Performance Limited as an element of the overall company cost recharge.

No directors (2015: none) are accruing any benefits under the defined benefit scheme for which Video Performance Limited bears the cost. Pension benefits for P Leathem are disclosed in the financial statements of Phonographic Performance Limited.

6. TAXATION

The charge for taxation for the year is calculated on disallowable items after the deduction of capital allowances.

	2016 £000	2015 £000
Current tax:		
UK corporation tax	-	-
Total tax charge	-	-

The tax assessed for the year is lower (2015: lower) than the standard rate of corporation tax in the UK of 20% (2015: 20.25%).

	2016 £000	2015 £000
Factors affecting tax charge for the year		
Net income before taxation	7,869	8,431
Net income at the UK tax rate 20% (2015: 20.25%)	1,574	1,707
Effects of:		
Permanent difference	(1,574)	(1,707)
Total tax	-	-

	2016 £000	2015 £000
The company has an unrecognised deferred tax asset as follows:		
Other timing differences	4	5
Net deferred tax asset - unrecognised	4	5

No provision has been made for this deferred tax asset on the basis that the majority of the company's net income is not taxable and therefore the availability of suitable future taxable profits against which it could be realised is not certain.

7. INTANGIBLE ASSETS

	Computer Software and Systems Development £000
Cost	
At 1 January 2016	25
Disposals	(25)
At 31 December 2016	-
Accumulated amortisation	
At 1 January 2016	25
Disposals	(25)
At 31 December 2016	-
Net book amount	
At 31 December 2016	-
At 31 December 2015	-

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £000	2015 £000
Trade creditors	-	1
Amounts owed to members	6,737	7,315
Other creditors	320	387
Accruals and deferred income	358	1,045
	7,415	8,748

Other creditors includes a balance payable to Phonographic Performance Limited of £60,504 (2015: £56,606) in relation to the recharge of operating expenses to Video Performance Limited.

9. PROVISIONS FOR LIABILITIES

	2016 £000	2015 £000
Provision for dilapidations		
At beginning of the year	54	54
At the end of the year	54	54
Total provisions	54	54

Dilapidations

The dilapidations provision represents the amount required to reinstate the premises to a state as required under the lease, which expires in 2020. The provision is expected to be fully utilised in 2020.

10. NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £000	2015 £000
Net income before interest and taxation	7,826	8,392
Increase in debtors	(17)	(734)
(Decrease)/increase in creditors	(755)	664
Change in provisions	-	-
Net cash inflow from operating activities	7,054	8,322

11. TRANSACTIONS WITH DIRECTORS

There were no other transactions with directors during the year (2015: £-).

12. RELATED PARTY TRANSACTIONS

Income collected by VPL is distributed to its members and allocations remaining for more than seven years are reallocated and redistributed in accordance with VPL's distribution rules.