



20 YEARS OF supporting journalism

ANNUAL REPORT 2016



NLA launches to support UK journalism

The Newspaper Licensing Agency was founded in 1996 by a consortium of national newspaper publishers. Our mission was to provide a single source for the licensing of newspaper content from all major news publications. In our first year we generated £949,687 in royalties for publishers.

BUSINESS NEWS 1996

Rush for mortgages fuels fear of boom

By Anne Segall, Economics Correspondent, The Daily Telegraph

MORTGAGE commitments are At the same time, lenders stepped up Consumers borrowed a total of £2-6 running at levels last seen at the end the amount of mortgage finance billion last month, more than at any 1990, suggesting that provided, from £1-4 billion in time since December 1990, but for a considerable momentum has built Septem- ber to £1-8 billion last brief period two years ago. up behind the recovery in the housing month, the highest for more than two The chancellor is fore- casting a rise market. years.

Commitments to lend by banks and Bank of England figures show that year after a rise of 2 per this year. building societies jumped from demand for mort: gage finance is Treasury economists believe that the have a second year and the field? It is an important October in response to soar ing strong growth in demand for con-determinant of spending and say

HOUSE PRICE RISES AT HIGHEST FOR SEVEN YEARS By Charlotte Beugge, The Daily Telegraph

HOUSE prices are rising faster than at any time in the past seven years, according to the latest figures from the Nationwide Building Soci- ety. In the year to Novem- ber, they rose 8-8pc, after going up 1-3pc in the last month alone. These are the biggest increases since house prices peaked in May 1989. The Halifax Building Soci- ety's house price survey, which has twice the sample size of the Nationwide's is released on Monday.

of 42pc in consumer spending next

It is expected to show a 7pc year-on-year increase to November and a rise of just under a percentage point .. f...o.r.. that month. The Nationwide figures reveal that

MILLENNIUM BUG THREAT TO THE WORLD'S COMPUTERS

By Robert Uhlig, Technology Correspondent, The Daily Telegraph FINANCIAL institutions will go under, aircraft will be

grounded and hospital blood bank stores will dry up because of a computer glitch that comes into effect on Jan 1, 2000, an adviser to the Government on computer systems warned yesterday.

"We're looking at the next great economic depression." said Peter de Jager, adviser to the Government's Task-Force 2000, which has been set up to alert businesses to the impending danger.

He has delivered the most urgent warning yet that 95...

Branson plans airline service on his trains

By Margaret Doyle, The Daily Telegrap

RICHARD BRANSON pro- mised to deliver aircraft-type service-including seat-back videos, free meals and limousine service for business class passengers-to Brit- ain's railways as Virgin was awarded its first rail fran- chise, yesterday.

And he also expects to start running Eurostar pas- senger services next week for the first time since the Channel.

Push for the single currency 'could put Europe at risk'

By Anne Segall, Economics Correspondent, The Daily Telegraph

the early introduction of a single cur- linked". economic risks.

Britain's economic and political well- Europe to derive substantial benefits Mr George's warning came yesterday being. The two are inextricably from the single market, any more as the chancellor, Kenneth Clarke, linked," he told the German-British than you need monetary. delivered a powerfully pro-European chamber of industry and commerce. with third countries to derive

BRITAIN WINS REPRIEVE ON BSE CATTLE CULL

Commission agrees to study evidence – a day after snub By Toby Helm, George Jones and David Brown, The Daily Telegraph

against BSE after the European Commission agreed to Oxford University study published last month was taken re-examine evidence suggesting the cull was unnecessary. after strong pressure from Sir Leon Brittan, the senior The change of heart came a day after Douglas Hogg, the British commissioner in Brussels. Agriculture Minister, had returned empty-handed from Last night, both Downing Street and the Agriculture Brussels ready to tell today's Cabinet committee meeting Ministry welcomed the announcement. But minis- ters that Britain should go it alone and call off the cull. Franz Fischler, the Euro- pean Union's Agriculture They said it was still likely that the "beef Cabinet" would

Commissioner, told yester- day's commission meeting in decide that the cull should be scaled back drasti- cally. Strasbourg that the study, which set out a range of options However, the move by Brussels suggests that a compromise for eradicating BSE, was a "serious" and "con- structive" might yet be possible. Earlier in the day, both Mr Major and

document. Twenty-four hours earlier, he had lined up with 14 farm Parlia- ment agreeing to the slaugh- ter programme unless ministers from across Europe to tell Mr Hogg that it made there were clear assurances of a quick and substantial

no difference to the terms of the selective slaugh- ter lifting of the worldwide ban on British beef.

THE Government won a temporary reprieve last night for up to 147,000 cattle due to be slaughtered in the battle in June. The decision to review the evidence contained in an

cautioned against talk of a "breakthrough"

Mr Hogg had made clear that there was no prospect of

Courtesy of The Daily Telegraph

BANK of England governor Eddie speech in London, claiming that the most important thing for Britain was George warned yesterday that a political and eco-nomic arguments to preserve the single European politically motivated drive towards for Europe were "inextricably market and the free trade advantages that go with it. rency in Europe could back- fire if "When you consider Brit- ain's future He went on: "You do not actually

insufficient attention is paid to the in Europe, you are considering need monetary integration within



20 YEARS OF supporting journalism

2016

Celebrating 20 years of supporting journalism

Today NLA media access represents the intellectual property rights of prominent UK and international publishing brands in the media monitoring market and operates a database of content providing services to media monitoring agencies and publishers. Through licensing and the provision of database services, NLA enables UK and international businesses to access published content in an effective and copyright compliant way. NLA plays its part in ensuring publishers are rewarded for their investment in journalism. In 2015, NLA generated £33,791,000 in royalties.

Sterling drops as UK votes on Brexit

British voters decide if their country should remain a member of the European Union

More

America elects 45th President

President Obama has congratulated his successor as results of election are announced

More

Apple announces new iPhone 7

CEO Tim Cook took the wraps off the company's much anticipated new phone

More



Over the next 20 years, we anticipate incredible innovation in technology which will continue to revolutionise the publishing industry and provide more ways than ever to read and share of the state of

technology which will continue to revolutionise the publishing industry and provide more ways than ever to read and share content. At NLA media access our ambition is to keep pace with change, by continually improving our services to make licensed access to information easy and supporting the creation of high guality journalism.



CONTENTS

Celebrating 20 Years	2-4
NLA media access at a glance	6
Chairman's Foreword	7
Managing Director's Statement	8
Financial Performance	. 9
Working with Publishers	. 11

Publisher Services
Royalties and Rights Management15
International Developments
Journalism Diversity Fund
Regulatory Environment19
Contact Us



PUBLISHER ROYALTIES £274M SINCE 1996

Chairman's foreword

2015 was another successful year for NLA media access. The company reached one landmark, by achieving £40m in total licensing and database services revenue; and in 2016 is marking another by celebrating its 20th year representing publishers.

Royalties paid to publishers grew by 8.5% and despite continued investment in new staff and database development, plus an office move in Tunbridge Wells, operational efficiencies enabled NLA to maintain the total revenue share returned to publishers at 84%.

2015 was our second full year of licensing magazine repertoire, in which we achieved a 48% increase in royalties delivered to the Publishers Licensing Society, for onward distribution to publishers.

Royalties for our longstanding national and regional publishers, many of whom have been served for 15 to 20 years now, also grew by 7.5% and 10.2% respectively. Maintaining focus on our established print and web publications at the same time as developing new revenue for magazine publishers was a key objective for the year, as licensing income is an increasingly important component of many publishers' revenue streams.

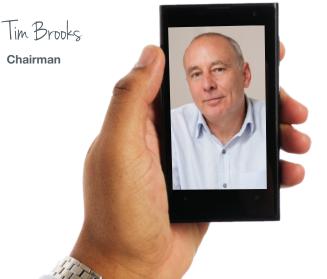
In addition to growing revenue, NLA continued to invest in providing content and services for publishers and media monitoring organisations. Magazine publishers added their content to eClips during the year, bringing the total number of print and web titles on the eClips service to 339 and the number of professional users with access to the service to half a million.

Turning to publisher services, over 7,000 journalists are now using the ClipShare service which includes content dating back to 2007. The service was upgraded in 2015 to increase access speeds and navigation. In addition, publishers are now also seeing results from OATS – the online article tracker service operated by NLA to combat piracy.

2015 also saw a notable event celebrating our support for journalism, with NLA's contributions to the Journalism Diversity Fund reaching £1m. The aim of the JDF is to create a route for aspiring journalists from disadvantaged backgrounds to get into the profession and make newsrooms representative of the diverse communities they report on. In the 10 years it has been operating, the Fund has provided bursaries for nearly 200 aspiring journalists. – more on page 21.

NLA is a pioneer of collective licensing and database services for publishers and media

monitoring service providers. We have earned over £340m in our first 20 years to fulfil our business mission of 'supporting journalism'. We have David Pugh (outgoing Managing Director) to thank for impressive results in the last eight years. He has presided over a period of significant growth as NLA has adapted to considerable change in the publishing and media monitoring landscape. He has been instrumental in establishing legal precedent to ensure copyright protection for online content, driven the expansion into magazine licensing, delivered 90% growth in publisher value and persuaded shareholders to invest in innovative database services that will secure the future of the business. David will retire this spring and we welcome Henry Jones to the post of Managing Director. Nothing is - rightly - ever static at the NLA, and Henry has the approach and experience that we believe is just right for our growth and development in the future. I look forward to working with him.





Managing Director

Managing Director's statement

2015 was a year of significant growth and development for the company - notably in revenue earned for publishers, but also in expansion of services and increases in the number of publishing and media monitoring agency clients that we serve.

The growth in royalties was a result of our focus on optimising the value of each title, licensing internal copying and republishing rights and adding titles to the eClips database, accessed by media monitoring companies and their clients. In the media monitoring sector, the headline story was one

of consolidation, with the merger and acquisition of some major players; but many new businesses are also entering this space and NLA acquired eight new agency clients during the course of 2015. These new clients will no doubt challenge us to evolve licensing and service solutions as we understand their needs better.

Publishers also benefited from an 11% increase in revenues from the education sector, managed on our behalf by the Copyright Licensing Agency, and a 17% increase in revenues from foreign licensing agency agreements. The bulk of licensing revenue (92%) continues to come from our focus on delivering licensing services to existing and new business users and in this area, revenue grew by 8.6%. 886 new corporate licences were sold in 2015, increasing the total licensing customer base to 9,807.

One of the most pleasing developments, at the end of 2015, was the launch of a new style of licence for public relations consultancies, which is simpler and for many, cheaper than the licence it replaces. The spark to develop this licence came directly from customer feedback (by Coast Communications) to our monthly client survey. We acknowledge the input, review and constructive criticism we received from the Chartered Institute of Public Relations in helping us to deliver a value for money licence for their members. In the first 2

months after the November launch, 100 agencies opted for the new licence.

During my eight year tenure as Managing Director, I have enjoyed the unfailing support and guidance of the NLA board and staff. Together, we have begun to realise the potential of this clearly focused business, by increasing the number of publishers and clients that we serve, using the skills of our dedicated licensing team to develop new client solutions and capitalising on the investment in the eClips database to launch innovative services for monitoring clients and publishers. Henry Jones joins the business as Managing Director at a very exciting time in its development and at a point where I am sure there is more potential to unlock. I am confident that Henry will continue the NLA's expansion into new areas, creating ever more opportunities for publishers to realise the value of their content in the media monitoring market.

David Pugh **Managing Director**

Henry Jones Incoming Managing Director



FINANCIAL PERFORMANCE

WHERE DOES OUR REVENUE COME FROM?

In 2015 NLA media access licensed 9,807 organisations and earned £37m from licensing. A further £3m was earned from the provision of media monitoring and publisher services.



	£'000
Newspaper royalties	£31,793
Magazine royalties	£5,268
Media monitoring database services	£2,791
Publisher services	£240

Total £40,092

WHERE DOES OUR REVENUE GO TO?

In 2015 84% of revenue generated by NLA media access was paid to publishers. The NLA donated a further $\pounds100,000$ to the Journalism Diversity Fund bringing contributions to a total of $\pounds1m$ since the fund began in 2005.

	£'000
Publishers	£33,791
Database development	£2,892
NLA costs	£ 3,309
Charity	£100
	Total £40.092

DISTRIBUTION OF NET ROYALTIES

NLA distributes revenues collected in the form of royalties and they are allocated to respective publishing groups as shown.



	£ 000
National newspaper publishers	£18,551
Regional newspaper publishers	£10,348
Magazine publishers	£4190
International publications	£702

Total £33,791

ריחחח

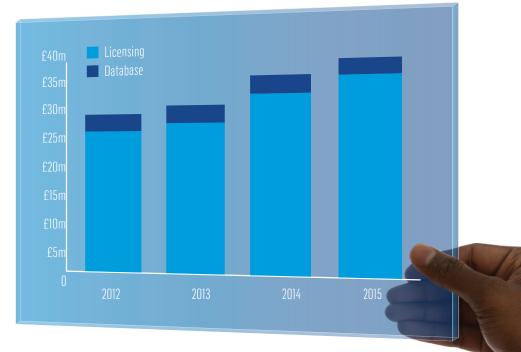
REVENUE PER EMPLOYEE

Revenue per employee increased from £641 in 2014 to £703 in 2015 as NLA continued to increase operational efficiency and reduce costs.

REVENUE GROWTH 2010-2015

Revenue has increased from £30m in 2012 to £40m in 2015 with strong growth in both licensing and database revenue sources.





WORKING WITH PUBLISHERS



The Economist Group

The Economist Group became an NLA media access client in 2006, attracted to NLA's licensing focus on the media monitoring sector, together with the database services offered by eClips. Their titles, including The Economist, The World In and The Economist: 1843 (formerly Intelligent Life) are actively used by NLA corporate clients.

In the last 5 years alone, NLA has delivered over £500,000 in licensing revenue to The Economist Group, with royalties set to increase further in 2016.

On the NLA Joanna notes: 'The NLA is a publisher owned business with a great track record of delivering growth for its members. It has particular strength in the media monitoring market where The Economist content is actively copied by businesses both in the UK and



worldwide. This business model is very effective, if The Economist's content is clipped and supplied to an organisation by a media monitoring organisation (MMO), NLA is advised and licenses the MMO and client supplied accordingly. This means that our share of royalties collected by NLA reflects actual usage. Our decision to switch to NLA in 2006 remains a good one to this day'.



Tindle Newspapers Ltd

Tindle Newspapers is one of the largest privately owned, independent family newspapers groups in the United Kingdom, which today has approaching 200 titles and three radio stations. The group's success is a result of its local and community focus. Each one of their local newspapers reports weekly on local events, from school plays to local church tea parties, as well as court and police news and the traditional family announcements. This is the key to Tindle Newspapers' success, giving the readers news about their parish, their town and even their own road. This is echoed in their ethos - local faces, local names and local places. Recently Tindle has re-launched their websites, making them more functional and therefore appeal to a generation of readers who are more used to reading their news either on their computer, tablet or mobile phone.

NLA media access has contributed to that success, delivering over £1.25m in royalties since the group selected NLA as its licensing partner in 2006 and a 65% growth in NLA revenues in the last two years alone.

In mid-2012, Tindle increased the number of titles

registered with the NLA for copyright licensing and this was the spark to improving this increasingly valuable revenue stream. Although individually small, NLA's convenient licensing structure enables Tindle's titles, which feature in a client's monitoring brief, to be part of a collective licence, along with 3600 others.

Sir Ray Tindle says 'The NLA team look after us very well, they ensure we make the most of the services they offer and do this in a streamlined, painless way. The NLA revenue provides an increasingly valuable source of revenue for Tindle and one we do not have the in-house resource or expertise to manage independently. We are delighted with the royalties received from the NLA to date and we look forward to another good year utilising their services.'



Sir Ray Tindle Chairman and Founder of Tindle Newspapers Ltd

Joanna Alexandre Syndication and Licensing Director at The Economist

PUBLISHER SERVICES

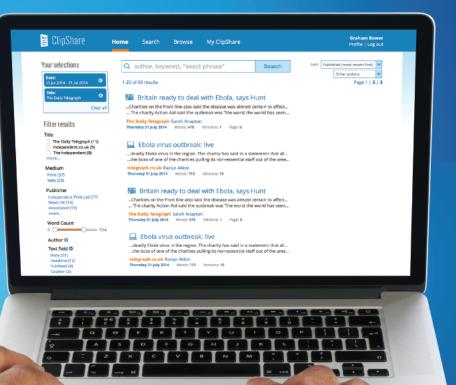
ClipShare

ClipShare provides journalists with access to a user-friendly archive of articles from over 200 titles dating back to 2006. In 2015, NLA upgraded the service adding new features including web content, dynamic search and a fresh interface. ClipShare enables journalists to rapidly research the context of an article they are covering, check previous reporting and discover trends in reporting, writing and publishing.

ClipShare

ClipShare for Syndication

The ClipShare database is also being used today by Publishers' syndication teams who use it to make content available to their customers. The easy to use search functionality discovers more content for syndication clients around the world and the high quality PDF display, allows them to see the articles and photos in their original context.





George Shepherd NLA Publisher Relations Manager

PUBLISHER SERVICES

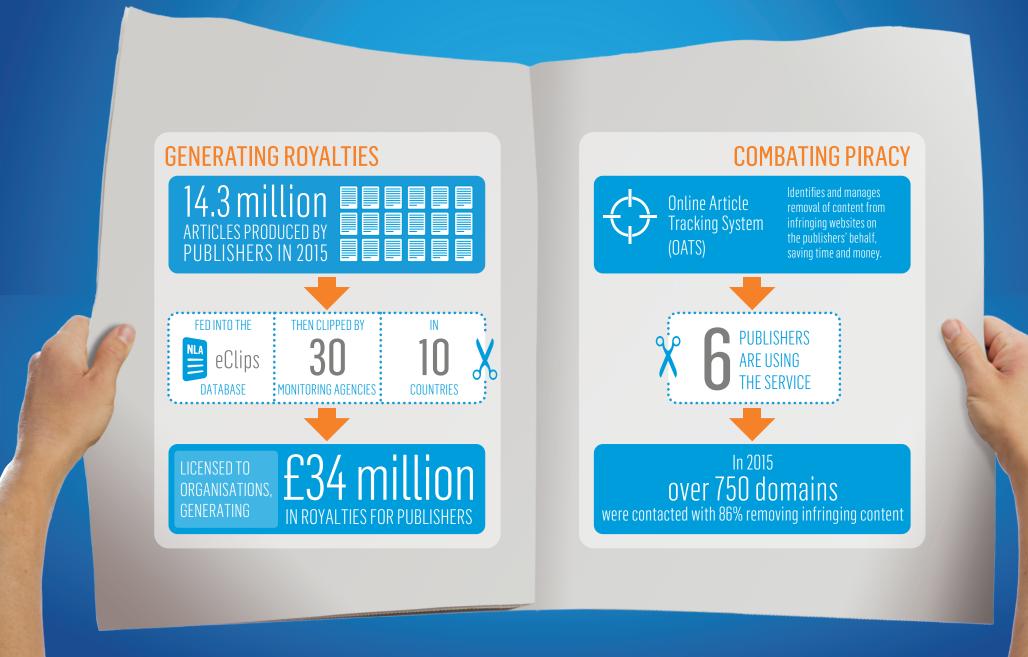
Online Article Tracking Service

A large volume of publishers' web content is currently being republished online without publisher permission or credit. The NLA Online Article Tracking Service (OATS) identifies and manages removal of content from infringing websites on a publisher's behalf, saving time and money. OATS tracks content being republished on commercial and non-commercial sites, including blogs and forums, which in many instances, may not be aware they are infringing copyright. OATS aims to educate infringing domain owners on what can or cannot be copied and offers alternatives, including publisher licences. By the end of 2015, NLA media access had contacted over 750 domains leading to the removal of infringing content from 86% of them.



Online Article Tracking System

WORKING WITH PUBLISHERS



ROYALTIES AND RIGHTS MANAGEMENT

NLA guides publishers when it comes to protecting their content, rights and royalties and ensuring that their contributors are fairly rewarded. In 2015, along with the Professional Publishers Association (PPA), NLA co-ordinated seminars with the specific aim of sharing best practice on rights acquisition and management.

One of the leaders in this area - The Guardian shared its experience of standardising contributor terms and provided insight on how it protects its content in the digital age, (see page 19).

Due to the demands of multi-platform publishing, the bulk of NLA mandating publishers have developed rights management processes which clear the rights necessary for the purposes of NLA licences and wider syndication applications, at the point of commissioning the work.

However, for those publishers that are unable to

confirm that they have cleared all necessary rights beyond the rights for initial publication, NLA media access operates a survey to calculate the portion of their NLA licensing revenue which is due to freelance contributors or agencies – "The Special Contributors' Scheme" (SCS).

The SCS survey methodology recognises that the majority of copying conducted by NLA licensees (corporate and public sector organisations) is for media monitoring purposes. A sample of articles supplied to media monitoring agency clients in a typical week is analysed (40,000+ items) to determine the appropriate share of NLA publisher royalties to be attributed to contributors. The survey is generally conducted every 2 years and is independently audited by the Audit Bureau of Circulation. The latest survey results are published on the NLA website. Just under 2% of NLA revenue paid to publishers participating in the 2014 survey was identified as due to freelance contributions.

of participating publisher revenues paid to contributors in 2014

The Special Contributor Scheme ensures fair distribution of licensing revenue between publishers and contributors.

theguardian CASE STUDY: Guardian News and Media Ltd

The Guardian is acknowledged as a leader in rights management and has shared its experience with other NLA represented publishers at PPA events and seminars. It was one of the first newspaper publishers to recognize that in the era of multi-platform publishing where content may be contributed by staff, contracted freelancers, occasional freelancers and members of the public across a range of formats, it is wise to have a standard system for managing rights that ensures fairness for publishers and contributors. That's why today any work commissioned by The Guardian involves standardised contracts across all formats and supplier types. Save for spot sales of freelance content. The Guardian's Freelance Charter, their most commonly used instrument for acquiring freelance content, ensures The Guardian pays for (re-)usage rights upfront.

Once a publisher has established terms, it is important that contributors are aware of them in order to avoid financial, legal or reputational problems. On introducing the Freelance Charter, The Guardian ensured clear communication internally and externally by publishing the document on its website and enclosing a copy with each commission. This goes a long way to avoiding any misunderstandings on the part of contributors.

Finally, any reader or non-commissioned contributor submitting 'User Generated Content' also needs clear terms and conditions. For The Guardian this means having as part of its Terms of Service on all digital products an agreement for a "unconditional, irrevocable, non-exclusive, royalty-free, fully transferable, perpetual worldwide licence to use...". Given the growing multitude of sources of UGC material, getting the rights in order up front is critical. The Guardian is increasingly finding such content has good value, with initiatives such as The Guardian Witness hub generating wide editorial use of UGC material, as well as re-licensing opportunities with third parties.



Robert Hahn Rights and Licensing Director Guardian News and Media Ltd

INTERNATIONAL DEVELOPMENTS

In a globalised economy, serving the needs of international users of UK newspaper content, and of UK users of international news, to make supply and copyright clearance simple, is increasingly important. NLA is focused on this goal, building networks with international publishers and users to meet the demand. Our membership of IFRRO and PDLN networks which encourage sharing of copying rights - is central to progress, but we also broker direct agreements between publishers, media monitoring organisations (MMOs) and users to meet the demand for legal copying and high quality content delivery. We know users want simplicity and wide coverage. Paradoxically making it simple takes detailed work to create common understanding of user requirements and to standardise terms and ensure that agreements are fair to both users and rights holders.

NLA now holds 22 rights exchange agreements covering 19 countries, giving UK licence holders rights to copy many thousands of overseas newspapers. Increasingly these are for full digital rights, including websites. The completion of a full rights exchange with French licensing body CFC at the start of 2016, underpinned by shared access for MMOs and their clients using NLA eClips technology was a significant step forward. NLA holds similar agreements with Spanish, Australian, Russian and other national organisations, and hopes to build more. We have also recently signed new direct publisher agreements with a range of major international newspapers including The Boston Globe, LA Times and Chicago Tribune. NLA media access is one of the world's leading copyright bodies, generating more revenue for publishers than comparable bodies in other countries.

Through PDLN (www.pdln.info) we are encouraging and supporting the development of licensing, to ensure UK users can enjoy rights to international content through their NLA licences, and that UK rights holder content is respected around the world. 22 rights exchange agreements covering

countries

Press Database and

icensing Network

JOURNALISM DIVERSITY FUND

The Journalism Diversity Fund (JDF) was set up by the newspaper industry in 2005. The aim of the JDF is to create a route for aspiring journalists from ethnically and socially diverse backgrounds to get into the profession and make newsrooms representative of the diverse communities they report on.

NLA's contributions to the Journalism Diversity Fund reached £1m in 2015. Since its creation 10 years ago, the JDF has provided bursaries for 200 aspiring journalists who have gone on to work across the industry from The Daily Mail to Sky News. This year we heard from Amber Haque: now a BBC Journalist, she was awarded a JDF bursary in 2014 to study a postgraduate diploma at the University of Salford. She is currently on the BBC Journalism Trainee Scheme.

"The JDF afforded me an opportunity I would never have had otherwise. Growing up as a mixed-race Asian and English girl, I always felt confused why I didn't see many faces like mine on the TV or, why the complex issues of growing up between two such polarised cultures just weren't being covered.

Thanks to the JDF, I'm now taking the first step into my new career and I've been gifted the chance to bring those life experiences and stories to my work at 5Live, BBC Leeds and BBC Breakfast.

10 years' worth of journalists have graduated from the JDF. They are now helping our newsrooms to reach out to those previously silenced communities and enriching our understanding of how society works. This country is such a wonderful patchwork of colours, cultures and classes and our media has a duty to represent that. Let's play our little part in keeping Britain's journalism one of the best in the world by making sure its newsrooms are as wonderfully diverse as its streets."



Amber Haque BBC Journalist

REGULATORY ENVIRONMENT

In 2016 NLA, along with other UK and European Collective Management Organisations (CMOs), will be subject to the European Collective Rights Management Directive. The Directive is designed to provide minimum standards of governance and transparency to protect the rights of rights holders and ensure that rightsholders have a say in the management of their rights, which NLA recognises in its ownership structure and corporate governance.

In 2012, NLA along with other UK CMOs volunteered for self-regulation. This resulted in the introduction of our Code of Conduct. NLA received no complaints from end users or rightsholders in 2015 – our third year in a row.

CONTACT US

Tunbridge Wells

For all licensing and finance queries.

Mount Pleasant House Lonsdale Gardens Tunbridge Wells Kent, TN1 1HJ

Tel: 01892 525 273 Email: copy@nla.co.uk London For all publisher, media monitoring, eClips, international, Clipsearch, ClipShare and general management queries.

> First Floor 16 - 18 New Bridge Street London, EC4V 6AG

Tel: 020 7332 9350

clientservices@nla.co.uk





20 YEARS OF supporting journalism