

NLA MEDIA ACCESS ANNUAL TRANSPARENCY REPORT for the financial year 2019

This 'Annual Transparency Report' is produced in compliance with the provisions of the ['Collective Management of Copyright \(EU Directive\) Regulations 2016'](#) (reference regulation 21).

NLA Overview

NLA Media Access Limited ('NLA') represents: publishers of printed newspapers and magazines and their associated websites; newsfeed material as used by the media monitoring organisations; independent websites offering news and current affairs content. NLA licenses the copying of publishers' content by media monitoring organisations ('MMOs') and end user organisations. Publishers can elect which rights they mandate NLA to manage, and the rights granted dictate which of the NLA licences their content is included in. Details of the licences offered to MMOs can be found [here](#) and end user organisations [here](#).

NLA additionally processes content from the major publications it represents and holds the articles in a database (known as 'eClips'), which enables it to supply data efficiently to media monitoring agencies for their services to their clients

Please see <https://www.nlamediaaccess.com/> for further information on NLA.

Transparency Report Information

a. Financial statements

A copy of NLA's Report and Financial Statements for the year ending 31 December 2019 can be found [here](#).

b. Report on NLA activities

Please see NLA's Report and Financial Statements for the year ending 31 December 2019 which can be found [here](#).

c. Refusals to grant licences

NLA Mandates set out the specific rights that are granted to NLA by its publishers. There were no instances of NLA refusing to grant a licence where NLA has the necessary rights from its publishers and offers a licence.

d. Legal and governance structure

NLA is a private limited company limited by shares (company no. 03003569), owned by 7 national newspaper groups (Associated Newspapers Limited, The Financial Times Limited, Guardian News and Media Limited, Independent Digital News & Media Limited, MGL 2 Limited, News UK & Ireland Limited, Telegraph Media Group Limited).

NLA's supervisory body is its board of directors which include a representative from each of its shareholders and representatives for regional newspaper publishers, magazine publishers and special contributors. Details of NLA Directors can be found within its Report and Financial Statements and on our website [here](#). Board Meetings are held at least once per quarter.

A copy of NLA Membership rules can be found [here](#) and its Articles of Association [here](#) which include information as to the form of the NLA Board and the right to representation.

e. **Entities directly or indirectly owned or controlled by NLA**

NLA wholly owns a dormant company 'The Newspaper Licensing Agency Limited' (company no. 03563061) (which has never traded and exists in order to preserve the former name of NLA).

f. **Remuneration paid to persons operating NLA's management and supervisory functions**

Please refer to notes 7 and 21 of NLA's Report and Financial Statements for the year ending 31 December 2019.

g. **Amounts deducted for the purpose of social, cultural and educational services**

In 2019 NLA contributed £100,000 to the [Journalism Diversity Fund](#), the aims of which are to encourage and support people from ethnic and socially diverse backgrounds to train as journalists. The fund is administered by the National Council for the Training of Journalists (NCTJ).

h. **Rights revenue for each category of rights managed and type of use**

According to the CISAC categories, the works that NLA represents (newspapers, magazines, newsfeeds and news/current affairs websites) fall into the 'Literature' group.

NLA licenses rights to two main categories of user – media monitoring organisations (MMOs) and end user organisations. NLA's MMO licences can be divided into print and web copying, and end user licences into print copying, web copying and the copying of content onto corporate websites. NLA additionally received revenues from overseas RROs.

An analysis of the revenues derived from each type of use is set out in Appendix A.

h(i)(ii) Income from investment of rights revenue

NLA's current practice is to report to, and pay, its right holders on a monthly basis (except for RROs where it reports annually). NLA does not hold any undistributable royalties. The only investment income it therefore earns is bank interest on money held on deposit pending distribution – in 2019, the interest earned was £46,352 which was retained by NLA as working capital.

i. **Cost of rights management and other services provided by NLA**

The financial information on costs is set out in Appendix B.

j. **Amounts due to rightholders**

As shown in Appendix B, during 2019 NLA attributed £46.7m licensing royalties to its right holders. After deduction of the NLA retention, £41.4m was distributed to right holders. Information as to NLA's distribution policy is set out in the ['NLA Royalties Charter'](#).

NLA makes monthly distributions of royalties and does not hold any unattributable sums.

k. **Relationships with other collective management organisations**

A breakdown of the available financial information regarding NLA relationships with other CMOs is set out in Appendix C.

NLA did not distribute any amounts directly to right holders of other CMOs.

APPENDIX A

Rights Revenue - 2019

NLA licensing revenue from Literature

User type	Licence type	Revenue
		£'000
End user	Business licence	37,755
End user	Web end user licence	1,569
End user	Corporate Website Republishing Licence	2,798
Media Monitoring Organisations	Licence	3,067
	Web Database Licence	486
Reprographic Rights Organisations	Licence	1,018
Total licensing revenue from Literature		46,693

APPENDIX B

Financial information on the costs of rights management - 2019

The Financial Statements for NLA Media Access Limited for the year ended 31 December 2019, including the Directors' Report, form a part of this Annual Transparency Report.

NLA Media Access Limited manages a single category of rights - under the classification of 'Literature' - that of newspapers and magazines.

	2019			2018		
	Rights management	Other services	Total	Rights management	Other services	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Licensing royalties	46,693		46,693	43,528		43,528
Database activities		3,962	3,962		3,511	3,511
Total revenue	46,693	3,962	50,655	43,528	3,511	47,039
Bank deposit interest received	46		46	41		41
Royalty payments to publishers	41,427		41,427	39,113		39,113
<i>% of revenue</i>	<i>89%</i>		<i>82%</i>	<i>90%</i>		<i>83%</i>
Administration costs						
Staff	3,226	1,724	4,950	3,168	1,492	4,660
Database development		1,225	1,225		1,277	1,277
Sales agency fee	264		264	247		247
Office premises	251	392	643	230	245	475
Charitable donation	92	8	100	93	7	100
Overheads	420	420	840	329	220	549
Special contributors' scheme	15		15	15		15
Depreciation	345	91	436	33	34	67
Marketing	50	55	105	62	11	73
Legal and professional	209	18	227	220	18	238
Business development		360	360	128	10	138
Total administration costs	4,872	4,293	9,165	4,525	3,314	7,839
<i>% of revenue</i>	<i>10%</i>		<i>18%</i>	<i>10%</i>		<i>17%</i>
Surplus retained within the business	440	-331	109	-69	197	128

APPENDIX C

Financial information on relationships with other collective management organisations - 2019

		Net paid £'000	Retention £'000	Gross Royalties £'000
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Received from other CMOs

• CLA	licensing of education rights under an agency agreement	2,122	264	2,386
• International RROs	licensing of NLA newspaper content under reciprocal agreements	* 1,018		

Paid to other CMOs

• PLS	licensing of magazine content represented by PLS	5,616	1,409	7,025
• International RROs	licensing of international newspaper content under reciprocal agreements	** 424	115	539

***Breakdown of net royalties received from International RROs**

Name of RRO	Location	Net royalties received from international RROs £'000
Centre Francais D'Exploitation du Droit de Copie	France	267
Prolitteris	Switzerland	44
VG Wort	Germany	331
Kopinor	Norway	24
Stichting Reprerecht	Netherlands	40
Copydan	Denmark	110
Copibec	Canada	18
Copyright Agency Limited	Australia	58
Kopioisto	Finland	25
Literar Mechana	Austria	1
Access Copyright	Canada	0
Newspaper Licensing Ireland	Eire	23
Hong Kong Reprographic Rights	Hong Kong	1
OSDEL	Greece	2
Copiepresse	Belgium	0
Dramatic, Artistic & Literary Rights Organisation	South Africa	2
Spanish Reproduction Rights Centre (CEDRO)	Spain	6
Bonus	Sweden	48
Singnet	Singapore	2
Copyright Licensing Limited	New Zealand	1
Irish Copyright Licensing Agency	Eire	15
Total received by NLA		1,018

The amount retained by the international RROs before the sum is remitted to NLA is unknown.

****Breakdown of net royalties paid to International RROs**

Name of RRO	Location	Gross royalty payable by	Less NLA's	Less	Net sum
		NLA	retention	withholding tax	paid to RRO
		£'000	£'000	£'000	£'000
Centre Francais D'Exploitation du Droit de Copie	France	139	35	-	104
Kopiosto	Finland	1	-	-	1
Copibec	Canada	2	-	-	2
Access Copyright	Canada	9	2	-	7
Literar Mechana	Austria	3	1	-	2
Prolitteris	Switzerland	2	-	-	2
CopyRus	Russia	2	-	-	2
Newspaper Licensing Ireland	Eire	328	66	-	262
Stichting Reprorecht	Netherlands	4	1	-	3
Kopinor	Norway	-	-	-	-
CopiePresse	Belgium	1	-	-	1
Copyright Agency Limited	Australia	14	3	-	11
Spanish Reproduction Rights Centre (CEDRO)	Spain	30	6	-	24
Copydan	Denmark	4	1	-	3
Total paid by NLA		539	115	-	424