



NLA MEDIA ACCESS LIMITED

ANNUAL TRANSPARENCY REPORT

FINANCIAL YEAR – 2021

NLA MEDIA ACCESS ANNUAL TRANSPARENCY REPORT for the financial year 2021

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 www.nlamediaccess.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 2021 can be found [here](#).

b. Report on NLA activities

Please see NLA's Report and Financial Statements for the year ending 31 December 2021 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 Corp 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's 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 2021.

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

In 2021 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 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 2021, the interest earned was £1,026 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 2021 NLA attributed £45.2m licensing royalties to its right holders. After deduction of the NLA retention, £38.6m 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 – 2021

NLA licensing revenue from Literature

User type	Licence type	Revenue
		£'000
End user	Business & Simplified licence	38,569
End user	Web end user licence	1,624
End user	Corporate Website Republishing Licence	1,354
Media Monitoring Organisations	Licence	2,404
	Web Database Licence	642
Reprographic Rights Organisations	Licence	618
Total licensing revenue from Literature		45,210

APPENDIX B

Financial information on the costs of rights management – 2021

The Financial Statements for NLA Media Access Limited for the year ended 31 December 2021, 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.

	2021			2020		
	Rights management	Other services	Total	Rights management	Other services	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Licensing royalties	45,210		45,210	44,082		44,082
Database activities		4,421	4,421		4,089	4,089
Total revenue	45,210	4,421	49,631	44,082	4,089	48,171
Bank deposit interest received	1		1	20		20
Royalty payments to publishers	38,635		38,635	38,918		38,918
<i>% of revenue</i>	<i>85%</i>		<i>78%</i>	<i>88%</i>		<i>81%</i>
Administration costs						
Staff	4,294	1,726	6,020	3,365	1,803	5,168
Database development	0	1,779	1,779	0	835	835
Sales agency fee	258	0	258	251	0	251
Office premises	434	606	1,041	258	445	703
Charitable donation	91	9	100	92	8	100
Overheads	409	409	818	420	421	841
Special contributors' scheme	10	0	10	0	0	0
Depreciation	35	68	102	248	130	378
Marketing	20	52	72	47	56	103
Legal and professional	207	20	227	253	23	276
Business development	0	117	117	0	339	339
Total administration costs	5,758	4,786	10,544	4,934	4,060	8,994
<i>% of revenue</i>	<i>13%</i>		<i>21%</i>	<i>11%</i>		<i>19%</i>
Surplus retained within the business	818	-365	453	250	29	279

APPENDIX C

Financial information on relationships with other collective management organisations – 2021

		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	2,086	258	2,344
• International RROs	licensing of NLA newspaper content under reciprocal agreements	616		

Paid to other CMOs

• PLS	licensing of magazine content represented by PLS	5,086	1,271	6,357
• International RROs	licensing of international newspaper content under reciprocal agreements	487	135	622

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	124
Prolitteris	Switzerland	52
VG Wort	Germany	207
Kopinor	Norway	12
Stichting Reprorecht	Netherlands	44
Copydan	Denmark	54
Copibec	Canada	0
Copyright Agency Limited	Australia	33
Kopioisto	Finland	50
Literar Mechana	Austria	4
Access Copyright	Canada	9
Newspaper Licensing Ireland	Eire	0
Hong Kong Reprographic Rights	Hong Kong	1
OSDEL	Greece	0
Copiepresse	Belgium	5
Dramatic, Artistic & Literary Rights Organisation	South Africa	6
Spanish Reproduction Rights Centre (CEDRO)	Spain	0
Bonus	Sweden	0
Singnet	Singapore	0
Copyright Licensing Limited	New Zealand	6
Irish Copyright Licensing Agency	Eire	9
Total received by NLA		616

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 NLA £'000	Less NLA's retention £'000	Less withholding tax £'000	Net sum paid to RRO £'000
Centre Francais D'Exploitation du Droit de Copie	France	235	59	-	176
Kopioisto	Finland	2	-	-	2
Copibec	Canada	2	-	-	2
Access Copyright	Canada	5	1	-	4
Literar Mechana	Austria	1	-	-	1
Prolitteris	Switzerland	2	-	-	2
CopyRus	Russia	1	-	-	1
Newspaper Licensing Ireland	Eire	300	60	-	240
Stichting Reprorecht	Netherlands	5	1	-	4
Copyright Clearance Center Inc	USA	-	-	-	-
Kopinor	Norway	1	-	-	1
CopiePresse	Belgium	1	-	-	1
Copyright Agency Limited	Australia	29	6	1	22
Dramatic Artistic & Literary Rights Org Ltd	South Africa	1	-	-	1
Visapress -Gestao de Conteudos Dos Media, CRL	Portugal	1	-	-	1
REPROPOL Stowarzyszenie Dziennikarzy	Poland	3	1	-	2
Bonus Copyright Access	Sweden	1	-	-	1
Spanish Reproduction Rights Centre (CEDRO)	Spain	30	6	-	24
Copydan	Denmark	2	-	-	2
Total paid by NLA		622	134	1	487

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28 March 2022

The Directors
NLA media access Limited
Mount Pleasant House
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REPORT OF FACTUAL FINDINGS

To the Directors of NLA media access limited

In accordance with our engagement letter dated 15 November 2021, we have performed the procedures agreed with you, as set out below, on the annual transparency report of NLA media access limited ('the Entity'), for the year ended 31 December 2021 ('the Financial Information').

Responsibilities

As Directors of the Entity, you are responsible for:-

- Considering the sufficiency of the procedures for your purposes;
- Ensuring that accounting records are maintained which show and explain the Entity's transactions and disclose with reasonable accuracy, at any time, the financial position of the Entity; and
- Preparing the Financial Information and ensuring that it has been properly extracted from the Entity's accounting records.

It is our responsibility to prepare this report of factual findings.

We make no representation and assume no responsibility regarding the sufficiency of the procedures for your purposes.

Purpose of this report and restrictions on its use

This report was prepared on your specific instructions for the purpose of communicating the factual findings of our work on the procedures performed, as specified below, and should not be relied upon for any other purpose. Our report may not have considered issues relevant to any third parties, any use such third parties may choose to make of our report is entirely at their own risk and we shall have no responsibility whatsoever in relation to such use. RSM UK Audit LLP neither owes nor accepts any responsibility whatsoever in respect of, or arising out of, or in, connection with the contents of this report to any parties, other than the Directors, who may have sight of this report and shall not be liable for any loss, damage or expense of whatever nature which is caused by their reliance on this report.

Our report is prepared solely for the confidential use of the Entity and solely for the purpose of your compliance with regulation 21 (2)(b) of the Collective Management of Copyright (EU Directive) Regulations 2016. This report is released to the Entity on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save

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as otherwise permitted by agreed written terms), without our prior written consent. Without assuming or accepting any responsibility or liability in respect of this report to any party other than the Entity, we acknowledge that the Entity may be required to disclose this report to a party demonstrating a statutory right to see it, to enable such other parties to exercise statutory rights of access to this report.

This report is designed to meet the agreed requirements of the Entity and particular features of our engagement determined by the Entity's needs at the time. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights against RSM UK Audit LLP for any purpose or in any context. Any party other than the Entity which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Audit LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

Specific procedures performed

We have performed specific procedures, in accordance with International Standard on Related Services ('ISRS') 4400 'Engagements to Perform Agreed-upon Procedures Regarding Financial Information', on the financial information, solely for the purpose of your compliance with regulation 21 (2)(b) of the Collective Management of Copyright (EU Directive) Regulations 2016 as summarized in "Guidance on the UK Regulations implementing the Collective Rights Management (CRM) Directive" issued by the Intellectual Property Office in February 2016.

The procedures are set out in *Annex A: Agreed upon procedures for the audit of an annual transparency report* of the "Guidance on the collective management of Copyright (EU Directive) Regulations 2016: supplementary guidance on annual transparency reports and audit" issued by the Intellectual Property Office in October 2017.

Results of specific procedures undertaken

Solely on the basis of the above procedures, and taking into account the above discussions and representations, we report that:

- We carried out the procedures as set out in *Annex A: Agreed upon procedures for the audit of an annual transparency report* of the "Guidance on the collective management of Copyright (EU Directive) Regulations 2016: supplementary guidance on annual transparency reports and audit" issued by the Intellectual Property Office in October 2017. There were no errors or exceptions found as a result of our testing.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing (UK) or International Standards on Review Engagements, the objective of which would be the expression of assurance on the contents of the annual transparency report. Accordingly, we do not express any assurance on the Financial Information.

Had we performed additional procedures or had we performed an audit or a review of the Financial Information in accordance with auditing or review standards, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set out in the '*Specific procedures performed*' section of our report and for your information. You should not use it for any other purpose, distribute it or make it available (in whole or in part) or communicate it to any other party. We accept no responsibility or liability to any other party who is shown or gains access to this report (or any part thereof).

This report relates only to the Financial Information and does not extend to any financial statements of the Entity, taken as a whole.

RSM UK Audit LLP's audit work on the financial statements of the Entity is carried out in accordance with our statutory obligations and is subject to separate terms and conditions. This engagement will not be treated as having any effect on RSM UK Audit LLP's separate duties and responsibilities as the Entity's external auditors. RSM UK Audit LLP's audit report on the financial statements of the Entity is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. RSM UK Audit LLP's audit work has been undertaken so that they might state to the Entity's [members] / [insert equivalent] those matters they are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, RSM UK Audit LLP does not accept or assume responsibility to anyone other than the Entity and the Entity's members as a body, for its audit work, for its audit reports, or for the opinions it has formed.

To the fullest extent permitted by law RSM UK Audit LLP does not and will not, by virtue of our report or otherwise, assume or accept any duty of care or liability under this engagement to the Entity or to any other party, whether in contract, negligence or otherwise in relation to its audits of the Entity's financial statements.

We have no responsibility to update this report for events and circumstances occurring after the date of this report. However, if we are made aware of any matters that affect the validity of this report, we shall bring these to the attention of the Directors as soon as is practicable.

RSM UK Audit LLP

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28 March 2022