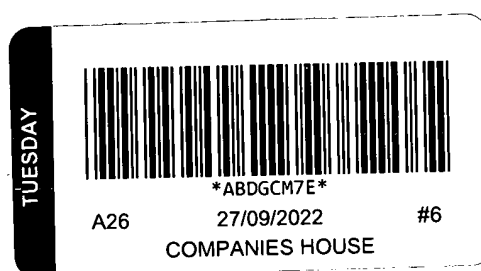


Registered number: 01780482

DESIGN AND ARTISTS COPYRIGHT SOCIETY

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021



**DESIGN AND ARTISTS COPYRIGHT SOCIETY
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DESIGN AND ARTISTS COPYRIGHT SOCIETY

COMPANY INFORMATION

DIRECTORS

Nick Whitaker (resigned 28th September 2021)
Herman Lelie (resigned 28th September 2021)
Cortina Butler (resigned 28th September 2021)
Jane Wilson
Sarah Taylor Silverwood (resigned 28th September 2021))
Mary Moore
Julia Crabtree
Rut Blees Luxemburg
Neil Burgess
Frederique Pierre-Pierre
Janette Parris
Niru Ratman (resigned 28th May 2021)
James Nadin (appointed 27th September 2021)
Gajinder Panesar (appointed 27th September 2021)
Jonathan Gosling (appointed 27th September 2021)

COMPANY SECRETARY

Helen Dutta

REGISTERED NUMBER

01780482

REGISTERED OFFICE

33 Old Bethnal Green Road
London
E2 6AA

INDEPENDENT AUDITORS

Moore Kingston Smith LLP
Chartered Accountants & Statutory Auditors
9 Appold Street
London
EC2A 2AP

BANKERS

HSBC Bank plc
8 Canada Square
London
E14 5HQ

DESIGN AND ARTISTS COPYRIGHT SOCIETY

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

INTRODUCTION

The Directors present the strategic report of the company for the year ended 31 December 2021. DACS is a company limited by guarantee and does not have share capital. The governing documents of the Company are its Memorandum and Articles of Association.

BUSINESS REVIEW

DACS' current strategy is designed to deliver sustainability, innovation, and growth, driven by the desire to support and sustain the business of being an artist.

During 2021, DACS continued to be impacted by the pandemic and ensuing lockdowns which limited activity in the market, but despite this, revenues improved over 2020. Revenues from Artist's Resale Right rebounded by 20% compared to 2020 with Art Market Professionals finding ways to operate under less restrictive lockdown conditions. Collective Licensing which is dependent on third party partners continued to hold up but dipped £0.6m from the previous year. Copyright Licensing revenues remain most adversely affected by the pandemic but saw growth over 2020.

DACS ended the year with revenue of £19.8 million, paying out £17.2m royalties to 79,000 artists and estates through Artist's Resale Right (ARR), Payback (Collective Licensing) and Overseas Public Lending Right, Copyright Licensing and Artimage.

DACS' ARR Compliance programme continued to address issues with those art market professionals who were not complying with their obligations under the ARR Regulations and declaring ARR-eligible sales. In this respect, DACS invoiced £0.5 million in ARR royalties in 2021 due to artists and their estates.

Beyond our core services, DACS continued to provide valuable resources and helpful advice to its members through its Copyright Advice Service and digital channels including DACS' online Knowledge Base. DACS' in-house legal team carry out enforcement of copyright infringements on behalf of Copyright Licensing members that helped to recover £27k of unpaid royalties in 2021.

In 2021 DACS launched a new public programme to facilitate shared knowledge and experiences across our membership and broader visual artist network. Across 8 online events DACS convened over 560 people on subjects including how to choose images in publishing, what organisations can do post-covid to increase art engagement, the well-being of artists and how artists can raise their profile through social media.

Within the year, DACS also continued to campaign for the fair payment of artists and retention of the Artist's Resale Right in UK law. We were delighted therefore that Artist's Resale Right was formally recognised in the UK's free trade agreements with the EU, Australia, and New Zealand.

In 2021 DACS surveyed its members and the broader artist community on the impact Covid-19 had on their practices. Almost three-quarters of artists reported that their livelihoods had been immediately impacted by the pandemic, with many having exhibitions or projects cancelled or losing studio space. In response to artists' experience and recommendations, DACS launched the Manifesto for Artists – a 5-point plan on how to rebuild a better future for artists in the UK.

As part of the Manifesto, Members gave a mandate to DACS to explore how to receive remuneration from digital uses of their works. DACS took this project forward and launched the Smart Fund in 2021: a campaign for fair remuneration to visual artists and other creators and performers when their works are copied and stored on digital devices.

The Smart Fund is supported by organisations representing writers, directors and performers to ensure a level playing field between UK creators and those in 45 other countries worldwide who have a similar scheme, where royalty payments are collected from technology manufacturers and paid into a central fund to help remunerate creative workers. Similar schemes to the Smart Fund also use a portion of the funds to support social and cultural activities in their nation. The Smart Fund can therefore not only end the injustice of a lack of fair remuneration to creators for digital uses, but also provide much needed cultural funding to communities across the UK, whilst enabling purposeful investment from technology companies.

Building on the Manifesto for Artists, in 2021 DACS facilitated the establishment of the All Party Parliamentary Group for Visual arts, alongside partner organisations CVAN (Contemporary Visual Arts Network) and a-n (the Artists Information Company).

DESIGN AND ARTISTS COPYRIGHT SOCIETY

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Throughout the year, DACS also provided a briefing to COP26 leaders and policy-thought leaders on how to most effectively help artists post-pandemic, and convened its members at a Town Hall exploring the impact of AI technology on artistic practice. Enabling DACS to submit evidence to the Government inquiry in early 2022.

DACS holds funds that arise due to timing differences between payments made to DACS (by clients, art market professionals or other collecting societies) and payments made by DACS to rightsholders. These funds are invested with banks, building societies and an investment fund to maximise returns, of which the principal sum is invested in an ethical investment portfolio that meets the United Nation's Principles for Responsible Investment. This ensures that DACS can continue to operate ethically and sustainably.

Additionally in 2021, DACS has continued to support the archive management programmes of the Art360 Foundation that contributes to safeguarding the legacies of visual artists for the public benefit.

PRINCIPAL RISKS AND UNCERTAINTIES

DACS remained committed to representing the interests of UK artists despite the challenging economic environment. The UK's exit from the European Union, and the wider economic impact of the worldwide Covid-19 pandemic could limit public funds available for art education, grants, and exhibitions for years to come. Meanwhile, the ubiquitous nature of social media that helps artists to promote their work freely, also allows technology platforms to maintain the idea of free or subscription-based content at suppressed fees at best – devaluing the notion that artists should be paid for their labour.

Therefore, as a not-for-profit organisation, it is key that DACS secures and deploys its resources to ensure that artists and artists' estates can sustain themselves. External risks are proactively managed through robust strategic planning with a thorough forecasting process in place ensuring the continued sustainability of an organisation that is at the forefront of issues that affect the lives and practices of artists.

Economic impact of the Covid-19 pandemic

"The Covid-19 pandemic and resultant lockdowns continued to impact on the art market in 2021 and consequently upon DACS' revenues. However, revenues improved in 2021 and combined with continued cost control and a strong return from DACS' investments, DACS incurred an acceptable deficit for the year. Emerging from the pandemic we are beginning to see recovery in the market and expect an increase in revenues to sustainable levels."

Brexit and international developments

While we were delighted that Artist's Resale Right was formally recognized in the UK-EU Trade and Cooperation Agreement. We shall continue to monitor the effects of Brexit on the market and take any appropriate action to safeguard our members' rights.

Competitive environment

"DACS faces an increasingly competitive environment, particularly in the collective licensing space. In response to this DACS has continued its focus on excellent service and efficiency to provide a simpler service at a lower cost to members."

FINANCIAL KEY PERFORMANCE INDICATORS

Set out below are the key performance indicators for each of DACS' services.

Artist's Resale Right:

In 2021, DACS collected £11.8 million in ARR revenues, distributing £10.0 million to 2,028 artists and estates, an increase of almost £1.9 million on 2020 income.

For royalties collected in the UK, DACS retains 15% to cover administration costs, while in the case of ARR collected from overseas sister societies DACS deducts 5% administration cost before paying artists and estates. ARR royalties are distributed monthly to artists and their estates, while royalties payable to sister societies, are distributed quarterly. In 2021 we reached the total of £100m in ARR payments since 2006.

Payback (Collective Licensing):

Under our agreement with the Copyright Licensing Agency (CLA) and sister societies, DACS received £6.0 million revenue in 2021. This was £0.4 million lower than in 2020 with slightly less received from overseas sister societies. In 2021 the Payback campaign distributed £5.8 million to 77,000 artists and estates for images claimed in UK publications and TV broadcasts.

As a not-for-profit organisation, DACS retains a share of the royalties to cover administration costs that have been reduced from 25% to 16% for the Payback scheme over the past ten years, and will reduce further to 15% in 2022

Copyright Licensing:

Revenues were £1.9 million (including infringement) in 2021. This was 16% higher than in 2020, but still 19% down on pre-pandemic 2019 revenue, as Covid-related lockdowns continued to have a severe impact on the market. Altogether 2,005 artists and estates benefited from the distribution of £1.4 million in licensing royalties

Administration costs placed on Copyright Licensing royalties remained unchanged at 25% for royalties collected directly by DACS and 15% for royalties collected by DACS' sister societies overseas. Copyright Licensing royalties are distributed quarterly.

Artimage revenue was also affected by the lockdowns but still achieved £57k of revenue in 2021, just £1k above 2020 and still £6k lower than 2019. Artimage now showcases over 30,000 images, nearly 5,000 more than a year earlier, from nearly 300 internationally-recognised artists.

Artimage administration costs remain unchanged at 35% with artist royalties distributed quarterly

FUTURE DEVELOPMENTS AND RESEARCH AND DEVELOPMENT

DACS will continue to strengthen its resilience and develop new opportunities for artists and estates
In 2021 DACS completed the upgrade to its digital infrastructure which replaces its legacy financial and CRM systems. This has been a major exercise that has placed heavy demands on staff time and has been a significant cost but has provided DACS with a modern robust operating system upon which to build.

The Bronzechain programme was also refined in partnership with Versart as a unique blockchain and hallmarking service for contemporary bronze artworks. The service is available to bronze foundries across the UK and internationally who can apply to DACS for license to use the technology.

In response to the pandemic DACS also partnered with Marcel for Art, and Versart to roll out Vide Atelier - a commission free platform, designed to generate income for artists during the pandemic. It successfully sold more than £45,000 in works for artists by the close of 2021.

This report was approved by DACS' Board of Directors on 21 June 2022 and signed on its behalf.

Margaret Heffernan
Director

DESIGN AND ARTISTS COPYRIGHT SOCIETY

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report and the financial statements for the year ended 31 December 2021

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £139,608 (2020 - £2,433).

DIRECTORS

The directors who served during the year were:

Nick Whitaker (resigned 28th September 2021)
Herman Lelie (resigned 28th September 2021)
Cortina Butler (resigned 28th September 2021)
Jane Wilson
Sarah Taylor Silverwood (resigned 28th September 2021)
Mary Moore
Julia Crabtree
Rut Blees Luxemburg
Neil Burgess
Frederique Pierre-Pierre
Janette Parris
Niru Ratman (resigned 28th May 2021)
James Nadin (appointed 27th September 2021)
Gajinder Panesar (appointed 27th September 2021)
Jonathan Gosling (appointed 27th September 2021)

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Strategic report, 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 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.

DESIGN AND ARTISTS COPYRIGHT SOCIETY

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

MATTERS COVERED IN THE STRATEGIC REPORT

In accordance with section 414C(11) of the Companies Act 2006 the Company has chosen to include information in relation to financial instruments, future developments and research and development in the Company's Strategic report.

DISCLOSURE OF INFORMATION TO AUDITORS

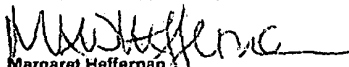
Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- 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.

AUDITOR

The auditor, Moore Kingston Smith LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

This report was approved by the Board on 21 June 2022 and signed on its behalf.


Margaret Heffernan
Director

DESIGN AND ARTISTS COPYRIGHT SOCIETY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DESIGN AND ARTISTS COPYRIGHT SOCIETY

Opinion

We have audited the financial statements of Design and Artists Copyright Society for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, 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 FRS 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 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Auditor's 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 UK, including the FRC'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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 auditor's 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 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.

DESIGN AND ARTISTS COPYRIGHT SOCIETY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DESIGN AND ARTISTS COPYRIGHT SOCIETY

Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 strategic report or the directors' report.

We have nothing to report in respect of the following matters where 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

DESIGN AND ARTISTS COPYRIGHT SOCIETY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DESIGN AND ARTISTS COPYRIGHT SOCIETY

• Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

• Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

James Cross (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

26 July 2022

9 Appold Street
London
EC2A 2AP

DESIGN AND ARTISTS COPYRIGHT SOCIETY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
		£	£
	Note		
Turnover	3	19,801,963	18,151,218
Amounts payable to artists and other cost of sales		<u>(16,708,658)</u>	<u>(15,292,455)</u>
Gross profit		3,093,304	2,858,763
Administrative expenses		(3,634,675)	(3,338,643)
Other operating income	4	55,926	162,394
Fair value movements		<u>277,168</u>	<u>271,081</u>
Operating (loss)	5	(208,277)	(46,405)
Income from current assets investments	8	22,247	26,830
Profit on disposal of investments		4,713	6,485
Interest receivable and similar income	9	<u>4,948</u>	<u>12,441</u>
(Loss) before tax		(176,369)	(649)
Tax on loss	10	<u>36,761</u>	<u>(1,785)</u>
(Loss) for the year		<u>(139,608)</u>	<u>(2,433)</u>
Total comprehensive income for the year		<u>(139,608)</u>	<u>(2,433)</u>

The notes on pages 15 to 26 form part of these financial statements.

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible Assets	11	402,255	393,285
Tangible fixed assets	12	<u>1,523,733</u>	<u>1,579,227</u>
		1,925,988	1,972,512
Current assets			
Debtors: amounts falling due within one year	13	2,547,279	2,076,266
Current asset investments	14	2,491,469	2,226,219
Cash at bank and in hand	15	<u>2,821,802</u>	<u>3,989,317</u>
		7,860,550	8,291,802
Creditors: amounts falling due within one year	16	<u>(7,383,086)</u>	<u>(7,684,492)</u>
Net current assets		477,464	607,310
Provision for liabilities	17	<u>(163,009)</u>	<u>(199,770)</u>
Net assets		<u>2,240,443</u>	<u>2,380,051</u>
Capital and reserves	18		
Retained Earnings			
Investment revaluation reserve		581,375	340,968
Repairs and building maintenance reserve		162,965	137,965
Profit and Loss Account		1,496,103	1,901,118
		<u>2,240,443</u>	<u>2,380,051</u>

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



Margaret Heffernan
Director

Date: 21 June 2022

The notes on pages 15 to 26 form part of these financial statements.

DESIGN AND ARTISTS COPYRIGHT SOCIETY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	£	£
Cash flows from operating activities		
(Loss) for the financial year	(139,608)	(2,433)
Adjustments for:		
Depreciation of tangible assets	69,802	76,651
Impairment of fixed assets	-	-
Amortisation of intangible assets	61,143	112,440
Interest received	(4,948)	(12,441)
Dividends received	(15,617)	(18,787)
Income from investments	(6,630)	(8,043)
Taxation	(36,761)	1,785
(Increase)/Decrease in debtors	(471,013)	909,218
(Decrease) in creditors	(301,406)	(208,781)
Net fair value gains recognised in P&L	(277,168)	(271,081)
Realised gain on disposal of investments	(4,713)	(6,485)
Net cash generated from operating activities	(1,126,919)	572,043
Cash flows from investing activities		
Purchase of fixed assets	(84,421)	(270,855)
Purchase of listed investments	(210,769)	(104,030)
Sale of listed investments	220,902	99,918
Tax paid	-	(50,279)
Interest received	4,948	12,441
Income from investments	6,630	5,817
Dividends received	15,617	11,944
Net cash from investing activities	(47,093)	(295,044)
Net (Decrease)/Increase in cash and cash equivalents	(1,174,012)	276,999
Cash and cash equivalents at beginning of year	<u>4,008,466</u>	<u>3,731,465</u>
Cash and cash equivalents at the end of year	<u>2,834,454</u>	<u>4,008,466</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,821,802	3,989,318
Cash held with investment broker 31 December 2021	<u>12,652</u>	<u>19,148</u>
	<u>2,834,454</u>	<u>4,008,466</u>

The notes on pages 15 to 26 form part of these financial statements.

DESIGN AND ARTISTS COPYRIGHT SOCIETY

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Investment revaluation reserve £	Repairs and building maintenance reserve £	Profit and loss accounts £	Total £
At 1 January 2021	340,968	137,965	1,901,118	2,380,051
Comprehensive income for the year				
Loss for the year	-	-	(139,608)	(139,608)
Total comprehensive income for the year		-	(139,608)	(139,608)
Transfer to/from income and expenditure account				
- unrealised fair value adjustment	277,168	-	(277,168)	-
- repairs and building maintenance reserve	-	25,000	(25,000)	-
- deferred tax on investments	(36,761)		36,761	-
Total transactions with owners	240,407	25,000	(265,407)	-
At 31 December 2021	581,375	162,965	1,496,103	2,240,443

The notes on pages 15 to 26 form part of these financial statements.

DESIGN AND ARTISTS COPYRIGHT SOCIETY

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Investment revaluation reserve £	Repairs and building maintenance reserve £	Profit and loss account £	Total £
At 1 January 2020	147,982	112,965	2,121,557	2,382,484
Comprehensive income for the year				
Loss for the year	-	-	(2,433)	(2,433)
Total comprehensive income for the year		-	(2,433)	(2,433)
Transfer to/from income and expenditure account				
- unrealised fair value adjustment	271,081	-	(271,081)	-
- repairs and building maintenance reserve	-	25,000	(25,000)	-
- deferred tax on investments	(78,075)		78,075	
Total transactions with owners	193,006	25,000	(218,006)	-
At 31 December 2020	340,968	137,965	1,901,118	2,380,051

The notes on pages 15 to 26 form part of these financial statements.

DESIGN AND ARTISTS COPYRIGHT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES

Design and Artists Copyright Society is a company limited by guarantee incorporated in England and Wales. Its registered office is 33 Old Brompton Green Road, London, E2 6AA.

1.01 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 United Kingdom and the Republic of Ireland and the Companies Act 2006.

The financial statements are prepared on the going concern basis which assumes the company will continue in operational existence for the foreseeable future. The directors have considered the impact of the ongoing Covid-19 pandemic on the ability of the company to continue its operations. The company has been impacted by the pandemic and given the ongoing restrictions the ultimate impact of the pandemic cannot be estimated with certainty. However, given the company's strong cash and asset position the directors do not expect the pandemic to impact the ability of the company to continue as a going concern. The directors have reviewed the financial projections for the 12 months following the date of approval of these financial statements and are satisfied the assumptions used in their preparation are reasonable. Having made enquiries, they have a reasonable expectation that the company will continue to meet its liabilities as they fall due and accordingly that it is appropriate to prepare the accounts on a going concern basis.

The financial statements are prepared in sterling which is the functional currency of the company. Monetary amounts in the financial statements are rounded to the nearest pound.

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 2).

The following principal accounting policies have been applied:

1.02 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Copyright licensing

Copyright licensing refers to those rights that can be administered transactionally or on an individual basis. Income is recognised once approval has been obtained.

Collectively Administered Rights

Collective licensing cannot be administered transactionally. They are licensed under a blanket licensing scheme operated by a third party. Where there is uncertainty regarding the timing and amount of such funds, the income is recognised on a notification basis only.

Artist's Resale Rights

Artist's Resale Rights are conferred by legislation, which allows DACS to collect income on behalf of qualifying artists on secondary sales made by art market professionals. Income under the Resale Rights scheme is invoiced once DACS has been informed that a sale has been made to a third party by the art market professional. DACS reviews each sale and agrees it with the art market professional. Revenue is recognised once the sale has been confirmed with the art market professional.

DESIGN AND ARTISTS COPYRIGHT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES (continued)

1.03 Government Grants

Income from government grants or other grants is recognised when the company has entitlement to the funds, any performance conditions attached to the grant have been met, it is probable the income will be received and the amount can be reliably measured.

1.04 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

1.05 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.06 Taxation

Tax is recognised in the Statement of Comprehensive Income, 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.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax compilation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be available taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are not discounted.

DESIGN AND ARTISTS COPYRIGHT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES (continued)

1.07 Intangible fixed assets

Amortisation is recognised so as to write off the cost or inflation of assets less their residual values over the useful lives on the following basis:

Computer software - 20% to 50% per annum of cost

1.08 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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is provided on the following basis:

Long-term leasehold property	- No depreciation charged
Fixtures and fittings	- 15% per annum of cost
Office equipment	- 20 to 50% per annum of cost
Leasehold improvements	- 5% per annum of 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.

Depreciation is not charged on leasehold property. The life of the lease is 999 years. The asset is continually maintained to a high state of repair and improved from time to time such that the useful economic life is so long and residual values so high that any depreciation is immaterial. The asset is reviewed annually for impairment.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of comprehensive income.

DESIGN AND ARTISTS COPYRIGHT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES (continued)

1.09 Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

1.1 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

1.12 Investment Income

Income arising from investments is recognised in the income and expenditure account.

1.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.13 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement.

1.14 Valuation of investments

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in the income and expenditure account for the period.

DESIGN AND ARTISTS COPYRIGHT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES (continued)

1.15 Financial instruments

The Company only enters into basic financial instruments 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 non-puttable ordinary shares.

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 Statement of comprehensive income.

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.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

1.16 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 Statement of comprehensive income 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.

1.17 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

DESIGN AND ARTISTS COPYRIGHT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

2 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. There are no key sources of estimation uncertainty. The following judgement has had the most effect on amounts recognised in the financial statements:

Development expenditure

Development expenditure is capitalised in accordance with the accounting policy given below. Initial capitalisation of costs for software and website development is based on management's judgement that technical and economic feasibility is confirmed, usually when a development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

Fixed asset impairment

The long-term leasehold property is included at cost. No depreciation is charged and the asset is reviewed annually for impairment. This is considered to be a critical accounting estimate in view of the amounts involved and the judgements applied in the review.

3 ANALYSIS OF TURNOVER

The whole of the turnover is attributable to copyright licensing (individual administered rights), collectively administered rights, Artist's Resale Rights and Artimage

Analysis of turnover by country of destination:

	2021	2020
	£	£
United Kingdom	17,244,078	15,979,255
Rest of the world	<u>2,557,885</u>	<u>2,171,963</u>
	<u>18,801,963</u>	<u>18,151,218</u>

4 OTHER OPERATING INCOME

	2021	2020
	£	£
Other operating income	<u>55,826</u>	<u>162,394</u>

Other operating income includes furlough grant income of £17,737 (2020: £124,509) and other grant income of £6,882 (2020: £18,091).

5 OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging:

	2021	2020
	£	£
Amortisation of intangible fixed assets	61,143	112,440
Depreciation and impairment of tangible fixed assets	69,802	76,851
Fees payable to the Company's auditor	19,050	18,178
- audit fees		
- other fees and taxation	6,985	3,595
Exchange loss/(gain)	8,208	(48,251)
Defined contribution pension cost	139,787	129,734

DESIGN AND ARTISTS COPYRIGHT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

6 EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2021	2020
	£	£
Wages and salaries	1,925,021	1,903,435
Social security costs	182,158	187,241
Cost of defined contribution scheme	138,787	129,734
	<u>2,246,967</u>	<u>2,220,410</u>

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

	2021	2020
	No.	No.
Number of administration staff	45	47
Number of management staff	4	4
Number of non-executive Directors	13	14
	<u>62</u>	<u>65</u>

7 DIRECTORS' REMUNERATION

	2021	2020
	£	£
Directors' emoluments	67,315	69,086
Directors NI	833	-
	<u>68,148</u>	<u>69,086</u>

During the year there were no retirement benefits accruing to directors (2020: 0) in respect of defined contribution pension schemes.

8 INCOME FROM INVESTMENTS

	2021	2020
	£	£
Interest received - listed investments	6,630	8,043
Dividends received - listed investments	15,617	18,787
	<u>22,247</u>	<u>26,830</u>

9 INTEREST RECEIVABLE

	2021	2020
	£	£
Other interest receivable	4,948	12,441

10 TAXATION

	2021	2020
	£	£
CORPORATION TAX		
Current tax on profits for the year	-	-
Adjustments for previous years charge	-	(75,713)
TOTAL CURRENT TAX (CREDIT)/CHARGE	-	<u>(75,713)</u>
Deferred Tax		
Deferred Tax (credit)/charge for the current year	(36,761)	77,498
TOTAL TAX CHARGE	<u>(36,761)</u>	<u>1,785</u>

DESIGN AND ARTISTS COPYRIGHT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is the same as (2020 - the same as) the standard rate of corporation tax in the UK of 19% (2020 - 19%) as set out below:

	2021	2020
	£	£
(Loss)/Profit on ordinary activities before	(176,369)	(649)
(Loss)/Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(33,510)	(123)
EFFECTS OF:		
Expenses not deductible for tax	563	360
Other deductions	1,785	3,804
Non-taxable income	(2,867)	(3,569)
Capital gains		1,577
Change in unrecognised deferred tax asset	(2,842)	(64)
Tax effect of utilisation of tax losses not previously recognised		-
Qualifying R & D expenditure		-
TOTAL TAX CHARGE FOR THE YEAR	(38,761)	1,785

DESIGN AND ARTISTS COPYRIGHT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

11 INTANGIBLE FIXED ASSETS

	Computer software £
COST	
At 1 January 2021	2,018,010
Additions	70,115
At 31 December 2021	<u>2,088,123</u>
DEPRECIATION	
At 1 January 2021	1,624,725
Charge for the year	61,143
At 31 December 2021	<u>1,685,868</u>
NET BOOK VALUE	
At 31 December 2021	<u>402,255</u>
At 31 December 2020	<u>393,285</u>

12 TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Total £
COST					
At 1 January 2021	932,730	895,274	109,145	127,061	2,064,210
Additions	-	-	-	14,306	14,306
Disposals	-	-	-	-	-
At 31 December 2021	<u>932,730</u>	<u>895,274</u>	<u>109,145</u>	<u>141,387</u>	<u>2,078,516</u>
DEPRECIATION					
At 1 January 2021	-	288,555	99,547	98,879	484,981
Charge for the period on owned assets	-	46,563	5,450	17,789	69,802
Disposals/adjustments	-	-	-	-	-
Impairment	-	-	-	-	-
At 31 December 2021	<u>-</u>	<u>335,118</u>	<u>104,997</u>	<u>114,668</u>	<u>554,783</u>
NET BOOK VALUE					
At 31 December 2021	<u>932,730</u>	<u>560,156</u>	<u>4,148</u>	<u>26,699</u>	<u>1,523,733</u>
At 31 December 2020	<u>932,730</u>	<u>606,719</u>	<u>9,598</u>	<u>30,182</u>	<u>1,579,227</u>

DESIGN AND ARTISTS COPYRIGHT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

13 DEBTORS

	2021	2020
	£	£
Trade debtors	2,322,606	1,747,912
Other debtors	14,991	18,947
Corporation tax	75,746	75,745
Prepayments and accrued income	133,936	233,662
	<u>2,547,279</u>	<u>2,076,266</u>

14 CURRENT ASSET INVESTMENTS

	2021	2020
	£	£
Listed investments	2,478,817	2,207,071
Unlisted investments (liquid)	12,652	19,148
	<u>2,491,469</u>	<u>2,226,219</u>

Listed Investments

The market value of the listed investments at 31 December 2021 was £2,478,816 (2020 - £2,207,071).

During the year, listed investments with a cost of £1,840,726 (2020 - £1,792,211) were revalued upwards by £281,881 (2020 - £277,566).

15 CASH AND CASH EQUIVALENTS

	2021	2020
	£	£
Cash at bank and in hand	<u>2,821,802</u>	<u>3,989,317</u>

16 CREDITORS: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	6,739,305	7,155,489
Other taxation and social security	125,078	83,745
Other creditors	337,924	297,446
Accruals and deferred income	180,779	147,812
	<u>7,383,086</u>	<u>7,684,492</u>

Included in trade creditors is a provision of £1,916,886 (2020 - £1,455,258) payable to artists and estates for primary use once the related debts included within trade debtors have been physically collected.

Included in other creditors is £167 of outstanding pension contributions (2020 - £20,954).

DESIGN AND ARTISTS COPYRIGHT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

17 PROVISION FOR LIABILITIES

	2021	2020
	£	£
Deferred tax liabilities - revaluation gains on investments listed	118,459	78,075
Accelerated capital allowances	130,304	125,676
Other timing differences	(33)	(3,981)
Tax losses against future profits	(85,721)	-
	<u>163,009</u>	<u>199,770</u>

	2021	2020
	£	£
Deferred tax movements in the year		
Liability at 1 January 2021	199,770	122,272
(Credit)/Charge to profit & loss account	(36,761)	77,498
Liability as at 31 December 2021	<u>163,009</u>	<u>199,770</u>

18 RESERVES

Repairs and building maintenance reserve

The repairs and building maintenance reserve is an amount set aside for future costs incurred for continually maintaining the leasehold property to a high state of repair and improving the asset from time to time.

19 PENSION COMMITMENTS

The Company makes contributions to the personal pension policies of some of its employees. Contributions are charged to the profit and loss account as they are paid. The charge for the year ended 31 December 2021 was £139,787 (2020 - £129,734).

20 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2021 the Company had future minimum lease payments under non-cancellable operating leases falling due as follows:

	2021	2020
	£	£
Not later than 1 year	64,974	6,923
Later than 1 year and not later than 5 years	191,578	22,501
Later than 5 years	0	0
Total	<u>256,552</u>	<u>29,425</u>

DESIGN AND ARTISTS COPYRIGHT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

21 RELATED PARTY TRANSACTIONS

During the period the company entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at 31 December, are as follows:

	Sales to related parties	Purchases from related parties	Amounts owed from related parties	Amounts owed to related parties
	£	£	£	£
Entities with significant influence over the company				
2021		179,930		
2020	-	165,345	-	-
Entities over which the company has significant influence				
2021	-	-	-	-
2020	-	-	-	-
Entities controlled by key management personnel				
2021				
2020	5,188	-	-	-

Terms and conditions of transactions with related parties:

Transactions with related parties are made at normal market prices. Outstanding balances with entities are unsecured, interest free and repayable on demand.

Key management personnel includes those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including directors. Total remuneration paid to key management personnel during the year was £497,839 (2020 - £473,603).

22 COMPANY STATUS

Design and Artists Copyright Society is a Company limited by guarantee and accordingly does not have a share capital.

Each member of the Company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the Company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.