

Registered number: 01780482

**DESIGN AND ARTISTS COPYRIGHT
SOCIETY**

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

**LUBBOCK FINE
Chartered Accountants
Paternoster House
65 St Paul's Churchyard
London EC4M 8AB**

DESIGN AND ARTISTS COPYRIGHT SOCIETY

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DESIGN AND ARTISTS COPYRIGHT SOCIETY

COMPANY INFORMATION

DIRECTORS	Mark Stephens CBE Ian Coleman Brendan Finucane QC Matthew Flowers Conor Kelly (retired 13 December 2015) Herman Lelie Emily Thomas (resigned 30 September 2015) Klaus Thymann Cortina Butler Jane Wilson Sarah Taylor Silverwood Mary Moore
COMPANY SECRETARY	Helen Dutta
REGISTERED NUMBER	01780482
REGISTERED OFFICE	33 Old Bethnal Green Road London E2 6AA
INDEPENDENT AUDITORS	Lubbock Fine Chartered Accountants & Statutory Auditors Paternoster House 65 St Paul's Churchyard London EC4M 8AB
BANKERS	HSBC Bank plc 8 Canada Square London E14 5HQ

DESIGN AND ARTISTS COPYRIGHT SOCIETY

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

INTRODUCTION

The directors present the strategic report of the Company for the year ended 31 December 2015.

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

In 2015, DACS distributed a record £16.7 million to over 24,000 artists and artists' estates through Artist's Resale Right (ARR), Payback and Dutch Public Lending Right, Copyright Licensing and Artimage – a 11% increase in value from the previous year.

DACS has campaigned for visual artists' rights, protecting their livelihoods, for over 30 years and, in 2015, DACS led negotiations to safeguard the visual arts' share of collective licensing revenues and not only retained the share but secured an increase to its value from 8% to 8.7%

This determination resolved the dispute that began in 2014 between DACS and the Copyright Licensing Agency (CLA) and its owners the Publishers Licensing Society (PLS) and Authors' Licensing and Collecting Society (ALCS) that led to a year-long mediation and valuation process.

The independent valuation process sought to determine how revenues for copying text and images in UK publications should be split between different rightsholders – authors, publishers and visual artists. The initial counter proposal was to reduce dramatically the visual arts' share from 8% to 4% but after substantial evidence provided by DACS and the other visual representatives, DACS was able to hold the 8% and increase the share by a further 0.7%.

On Artist's Resale Right, DACS has continued to pursue royalty payments rigorously and to channel revenues to artists and their beneficiaries. In addition, DACS has promoted the cultural and economic benefits of ARR here in the UK and supported international efforts to create a level playing field worldwide.

In the UK, DACS supported the House of Lords debate in January on issues affecting artists today, attended Party Conferences in the autumn and ramped up its ARR campaign in advance of the forthcoming review of the European Resale Right Directive. DACS continued to participate actively in top-level policy discussions through its membership of partner organisations including the Alliance for Intellectual Property, Creative Coalition Campaign, and the British Copyright Council.

Internationally, following a visit to Beijing in April with CISAC (the international network for creators) to present on the benefits of ARR, DACS hosted a delegation from the National Copyright Administration in China (NCAC) in June to provide expertise and advice on how ARR operates in the UK. Since the meeting draft legislation has been introduced in China.

In October, DACS joined a panel of European experts in authors' rights at the first ever international event promoting the Artist's Resale Right in Russia, hosted by CISAC and UPRAVIS, the non-commercial partnership in Russia for the protection and management of visual artists' rights. Since this event, UPRAVIS has signed a reciprocal agreement with DACS for collecting and distributing ARR royalties.

Across DACS' other core services, Payback also had a record year with the largest Payback distribution to date with over 25,000 visual artists receiving Payback payments – a 25% increase in the number of claimants from 2014.

DACS' image resource, Artimage, celebrated its first anniversary and ended the year with revenues 55% higher than the previous year. Distinguished artists including Sam Taylor Johnson, John Piper, and Susan Hiller joined Artimage in 2015, expanding its repertoire and bolstering its reputation as the premier source for exceptional images of modern and contemporary art.

Copyright Licensing remained strong but as anticipated due to trends in the exhibition season of 2015 and an increase of digital requests, the revenues for this service dipped slightly by 6%.

DESIGN AND ARTISTS COPYRIGHT SOCIETY

STRATEGIC REPORT (continued)

BUSINESS REVIEW (continued)

In addition to the services DACS provides for its members and artists, DACS is passionate about transforming the financial landscape for visual artists through new initiatives, collaborations and public engagement programmes.

In 2015, DACS expanded its academic research partnerships. Early in the year, DACS won a Researcher in Residence award by Creativeworks that supported doctoral researcher Tania Phipps-Rufus to collaborate with DACS researching intellectual property law for artists in the digital age. Later in the year, Laura Molloy was awarded a PhD Doctoral Knowledge Exchange Studentship through the Oxford Internet Institute, Ruskin School of Art and DACS to research and investigate the artistic and economic value of the internet in the working practices of visual artists in the UK.

Following DACS' announcement that it would be supporting the setting up of a foundation in 2014, DACS Foundation achieved charitable status in 2015, kicked off its fundraising campaign and launched its first project – Art360. Art360 is a major pilot project that will offer support to develop and sustain the archives of 100 leading modern and contemporary British artists, offering participants expert and bespoke legacy consultancy.

Art360 launched in the autumn with £250,000 awarded to DACS in public funding supported through the National Lottery from Arts Council England. DACS is a partner in the project along with support from the Art Fund, The National Archives and The Henry Moore Foundation.

Lastly, DACS and DACS Foundation collaborated on a public programme of events and Art Talks with speakers and performers including artists Peter Dazeley, Melanie Manchot, Stuart Semple, Katrina Palmer, Gavin Turk, gallery owner Joe Kennedy and journalist Hannah Duguid. Following the publication of *The New Economy of Art* (co-published by Artquest and DACS), DACS continued its series of debates discussing the art market, fundraising and public funding for the visual arts.

PRINCIPAL RISKS AND UNCERTAINTIES

Along with DACS' achievements in 2015, DACS also faced several challenges both directly and indirectly to its operating environment and further challenges and risks lie ahead for 2016, which DACS will be factoring into its operations.

As previously mentioned, DACS participated in an independent mediation and valuation process in 2015 to determine the share of collective licensing royalties between rightsholders. This process demanded a significant amount of resources in terms of staff time and the process incurred a one-off cost of £47,066 in legal and professional fees. This investment successfully resulted in the increase of the visual arts' share to 8.7%.

However, there will be fundamental changes to the Payback campaign as DACS may no longer be the sole distributor of collecting licensing revenues for the 2017 distribution. The Payback 2016 campaign will continue without change and DACS has committed to reducing the percentage it retains for administration down from 18% to 16%, which took effect from 1 January 2016. Beyond 2016, DACS is leading negotiations on how the visual artists' share will be divided between any new parties that may seek to collect and distribute collective licensing revenues. With over 15 years' experience, DACS is confident that it can continue to provide an unrivalled Payback service to individuals and picture libraries.

Over the course of 2015 and into early 2016, DACS has been preparing for the implementation of the Collective Management of Copyright (EU Directive) Regulations 2016 (the 'Regulations'), which came into force on 10 April 2016. The Regulations sets out standards for collecting societies, which apply to all societies throughout the European Union, making their operations and governance structures more transparent and consistent to protect rightsholders. Many of the changes in the Regulations have already been anticipated and implemented by DACS and are adhered to in DACS' Code of Conduct. In addition, DACS complies with comprehensive international standards as part of CISAC compliance protocols. DACS has executed an extensive and comprehensive action plan for implementing all of the Regulations.

DESIGN AND ARTISTS COPYRIGHT SOCIETY

STRATEGIC REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

After years of growth the global art market is showing signs of a slowdown, which is likely to impact upon leading national art markets. The latest report from The European Fine Art Federation (TEFAF) reported a global fall in sales of 7% and the volume of sales down by 2% in 2015. The United Kingdom fared better than the Chinese art market, whose market share fell by 3% due to economic contraction and poor sales. DACS will continue to monitor trends in the global art market and how these may affect the revenues going back to artists and estates.

FINANCIAL KEY PERFORMANCE INDICATORS

In 2015, DACS achieved record revenues of £19.5 million – a 10% increase from 2014 revenue figures.

The highest revenue generating service, ARR, outperformed the previous year with a 20% increase.

DACS' newest service, Artimage, also improved on results in its first full year of operation with a 55% increase in revenue.

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

Artist's Resale Right:

ARR increased by £2 million from 2014 figures with revenue coming in at £12,060,286. It was another record breaking year as DACS surpassed the £10 million distribution mark paying out to over 1,500 artists and artists' estates. Revenues from auction houses and privates sales are both up 5% from 2014 figures.

In 2015, DACS launched a compliance campaign that in the first year collected over £160,000 in backdated sales.

The ARR administration charge remains at 15% for royalties collected in the UK. DACS does not deduct any administration charges for ARR collected overseas by DACS' sister societies. ARR royalties are distributed on a monthly basis to artists and their estates, with royalties payable to sister societies, distributed quarterly.

Payback:

The 2015 Payback campaign distributed almost £4.7 million to over 25,000 artists - a 25% increase in the number of claimants compared to 2014. To date, DACS has distributed over £40 million since the beginning of Payback and its distribution of collective licensing revenues.

While the percentage DACS retains to cover administration costs remained at 18% for the 2015 Payback distribution due to the mediation and valuation process that took place throughout 2014 and 2015, the DACS Board confirmed to reduce DACS' retained percentage by 2% to 16% for the 2016 Payback campaign. Since 2007, DACS has consistently reduced administration costs year-on-year.

Copyright Licensing:

Copyright Licensing decreased slightly in 2015 - down 6% from 2014, coming in at just under £2 million. There has been an increase in digital requests as businesses move online, which brought the average licensing fee down by 3%. Also influencing the revenues was a reduction in museum and gallery revenue, which was affected by the 2015 exhibition programme where fewer DACS members were featured from previous years or where DACS members waived their fees for marketing and catalogue purposes.

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 royalties are distributed quarterly.

Artimage:

With the first full year of operation and an increased profile, Artimage achieved a 55% growth in revenue in 2015 from the previous year reaching a revenue total of just under £77,000. There was also a 43% increase in the number of artists licensed.

DESIGN AND ARTISTS COPYRIGHT SOCIETY

STRATEGIC REPORT (continued)

FINANCIAL KEY PERFORMANCE INDICATORS (continued)

Auction houses and book publishing continued to be the prominent sales sectors with auction house sales increasing by 175%, reflecting the commitment of key members, the Francis Bacon Estate and the Damien Hirst studio, insisting that all images are obtained through Artimage.

For Artimage and Copyright Licensing, 2016 will look to target new growth sectors of advertising, TV and film, hospitality and corporates.

Overheads:

Since moving to the new energy-efficient offices in Bethnal Green in 2014, DACS has continued to make efficiency savings. In 2015, DACS continued to decrease its overhead spend as 2015 premises costs were less than half those of 2014 at £62,100.

Treasury management:

The company undertakes regular reviews of its treasury management policies. DACS is not exposed to any concentration of exchange of credit risks and monitors cash flow as part of its day-to-day control procedures.

FUTURE DEVELOPMENTS AND RESEARCH AND DEVELOPMENT

The Artist's Resale Right in the UK reached a significant milestone as 2016 marked the 10th anniversary. DACS has published a white paper and set out an anniversary campaign looking at the how the right has supported artists and estates over the last decade.

Further research will also be published in 2016 on the economic value of the visual arts sector - this will be the first comprehensive study assessing the financial livelihoods of visual artists in the UK.

DACS continues to invest in its services and systems to ensure artists and customers are getting the best value for money.

For the 2016 Payback campaign, DACS has simplified the process for online claims for authorised representative by developing the Payback website to allow for data to be uploaded seamlessly and effortlessly via a single file template with downloadable reports. DACS is introducing unique identifiers for each artist and claim, which will continue to improve the Payback process and our response to stakeholders.

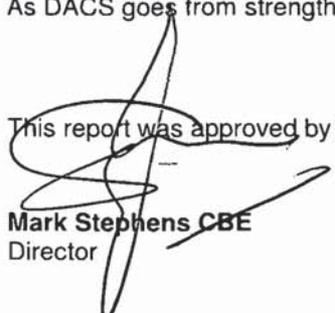
DACS is also in the process of introducing new IT systems to improve the sales ordering processing of the Copyright Licensing service. Further technology enhancements are planned to be rolled out to other departments within DACS over the next two years.

As DACS goes from strength to strength, we will continue to campaign and safeguard visual artists' rights.

This report was approved by the board on

27/6/16

and signed on its behalf.


Mark Stephens CBE
Director

DESIGN AND ARTISTS COPYRIGHT SOCIETY

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £269,851 (2014 - £104,856).

DIRECTORS

The directors who served during the year were:

Mark Stephens CBE
Ian Coleman
Brendan Finucane QC
Matthew Flowers
Conor Kelly (retired 13 December 2015)
Herman Lelie
Emily Thomas (resigned 30 September 2015)
Klaus Thymann
Cortina Butler
Jane Wilson
Sarah Taylor Silverwood
Mary Moore

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 and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

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.

DESIGN AND ARTISTS COPYRIGHT SOCIETY
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

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 that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that 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.

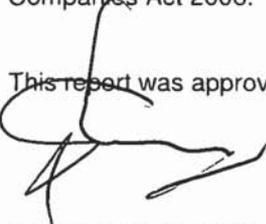
AUDITORS

The auditors, Lubbock Fine, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on

27/6/16

and signed on its behalf.



Mark Stephens CBE
Director

DESIGN AND ARTISTS COPYRIGHT SOCIETY

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

FOR THE YEAR ENDED 31 DECEMBER 2015

We have audited the financial statements of Design and Artists Copyright Society for the year ended 31 December 2015, set out on pages 10 to 30. The financial reporting framework that has been applied in their preparation is applicable law including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion 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 directors' report has been prepared in accordance with applicable legal requirements.

DESIGN AND ARTISTS COPYRIGHT SOCIETY

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

FOR THE YEAR ENDED 31 DECEMBER 2015

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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.



Neil Williams (Senior statutory auditor)

for and on behalf of
Lubbock Fine

Chartered Accountants & Statutory Auditors

Paternoster House
65 St Paul's Churchyard
London
EC4M 8AB
Date: 26/7/16

DESIGN AND ARTISTS COPYRIGHT SOCIETY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

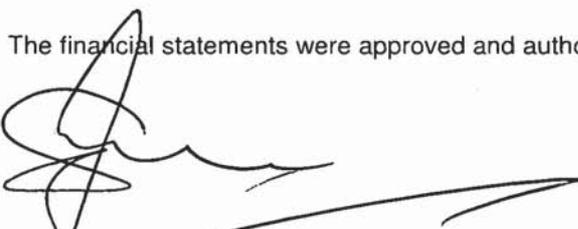
	Note	2015 £	2014 £
Turnover		19,508,176	17,812,673
Amounts payable to artists and other cost of sales		(16,517,540)	(14,760,976)
Gross profit		<u>2,990,636</u>	<u>3,051,697</u>
Administrative expenses		(2,796,572)	(2,869,575)
Other operating income		60,848	17,262
Fair value movements		13,434	22,714
Exceptional items		(47,066)	(191,151)
Operating profit		<u>221,280</u>	<u>30,947</u>
Income from current assets investments		20,925	8,409
Profit / (loss) on disposal of investments		3,201	(3,910)
Interest receivable and similar income	10	35,932	69,940
Interest payable and expenses	11	-	(530)
Profit before taxation		<u>281,338</u>	<u>104,856</u>
Tax on profit	12	(11,487)	-
Profit for the year		<u><u>269,851</u></u>	<u><u>104,856</u></u>
Total comprehensive income for the year		<u><u>269,851</u></u>	<u><u>104,856</u></u>

The notes on pages 15 to 30 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible fixed assets	14	2,104,359	2,203,847
		<u>2,104,359</u>	<u>2,203,847</u>
Debtors: amounts falling due within one year	15	1,167,574	3,265,309
Current asset investments	16	1,050,130	1,023,992
Cash at bank and in hand	17	7,404,530	5,243,887
		<u>9,622,234</u>	<u>9,533,188</u>
Creditors: amounts falling due within one year	18	(10,326,259)	(10,606,552)
		<u>(704,025)</u>	<u>(1,073,364)</u>
Total assets less current liabilities		<u>1,400,334</u>	<u>1,130,483</u>
Net assets		<u>1,400,334</u>	<u>1,130,483</u>
Capital and reserves			
Investment revaluation reserve	20	36,148	-
Other reserves	20	11,783	58,849
Repairs and building maintenance reserve	20	25,000	-
Profit and loss account	20	1,327,403	1,071,634
		<u>1,400,334</u>	<u>1,130,483</u>

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



Mark Stephens CBE
Director

Date: 27/6/16

The notes on pages 15 to 30 form part of these financial statements.

DESIGN AND ARTISTS COPYRIGHT SOCIETY

STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2015

	Investment revaluation reserve £	Other reserves £	Repairs and building maintenance reserve £	Retained earnings £	Total £
At 1 January 2015 (as previously stated)	-	58,849	-	1,086,598	1,145,447
Prior year adjustment	-	-	-	(14,964)	(14,964)
At 1 January 2015 (as restated)	-	58,849	-	1,071,634	1,130,483
Comprehensive income for the year					
Profit for the year	-	-	-	269,851	269,851
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	269,851	269,851
Transfer to/from profit and loss account	36,148	-	25,000	(61,148)	-
Transfer between other reserves	-	(47,066)	-	47,066	-
Total transactions with owners	36,148	(47,066)	25,000	(14,082)	-
At 31 December 2015	36,148	11,783	25,000	1,327,403	1,400,334

The notes on pages 15 to 30 form part of these financial statements.

DESIGN AND ARTISTS COPYRIGHT SOCIETY**STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2014**

	Other reserves	Retained earnings	Total
	£	£	£
At 1 January 2014	250,000	775,627	1,025,627
Comprehensive income for the year			
Profit for the year	-	104,856	104,856
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	104,856	104,856
Transfer between reserves	(191,151)	191,151	-
Total transactions with owners	(191,151)	191,151	-
At 31 December 2014	58,849	1,071,634	1,130,483

The notes on pages 15 to 30 form part of these financial statements.

DESIGN AND ARTISTS COPYRIGHT SOCIETY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015 £	2014 £
Cash flows from operating activities		
Profit for the financial year	269,851	104,856
Adjustments for:		
Depreciation of tangible assets	255,333	252,941
Loss on disposal of tangible assets	205	9,983
Interest paid	-	530
Interest received	(35,932)	(69,940)
Dividends received	(13,076)	(3,631)
Income from investments	(7,849)	(4,778)
Taxation	11,487	-
Decrease / (increase) in debtors	2,076,822	(1,807,518)
Decrease in creditors	(233,970)	(300,208)
Decrease in provisions	-	(79,000)
Net fair value gains recognised in P&L	(13,434)	(22,714)
(Profit) / loss on disposal of investments	(3,201)	3,910
Net cash generated from / (used in) operating activities	<u>2,306,236</u>	<u>(1,915,569)</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(213,860)	(1,860,766)
Purchase of listed investments	(89,137)	(1,044,355)
Sale of listed investments	79,623	42,917
Interest received	56,856	61,193
Income from investments	7,849	4,778
Dividends received	13,076	3,631
Net cash from investing activities	<u>(145,593)</u>	<u>(2,792,602)</u>
Cash flows from financing activities		
Interest paid	-	(530)
Net cash used in financing activities	<u>-</u>	<u>(530)</u>
Net increase / (decrease) in cash and cash equivalents	2,160,643	(4,708,701)
Cash and cash equivalents at beginning of year	5,243,887	9,952,588
Cash and cash equivalents at the end of year	<u>7,404,530</u>	<u>5,243,887</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	7,404,530	5,243,887
	<u>7,404,530</u>	<u>5,243,887</u>

DESIGN AND ARTISTS COPYRIGHT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments 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.

Information on the impact of first-time adoption of FRS 102 is given in note 25.

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:

1.2 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:

Individual Administered Rights

Individual Administered Rights are those that can be administered transactionally or on an individual basis. Income is recognised once approval has been obtained.

Collectively Administered Rights

Collectively Administered Rights are those that cannot be administered transactionally or on an individual basis. They are usually licensed under a blanket licensing scheme operated by a third party, and 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 does review each sale and agree it with the art market professional. Revenue is recognised once the sale has been confirmed with the art market professionals.

DESIGN AND ARTISTS COPYRIGHT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.3 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.

1.4 Operating leases: Lessee

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

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.

1.5 Taxation

Tax is recognised in the Profit and loss account, except that a change 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 computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

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

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

DESIGN AND ARTISTS COPYRIGHT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.6 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 bases:

Long-term leasehold property	-	No depreciation charged
Fixtures and fittings	-	15% per annum of cost
Office equipment	-	25% per annum of cost
Computer equipment	-	Between 25% and 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.

Assets under construction comprise of software development costs and project management fees for the creation of computer software for the Company's use. Costs are transferred to computer equipment when a particular phase of the project is available for use. No depreciation is charged on assets under construction.

1.7 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.

DESIGN AND ARTISTS COPYRIGHT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.8 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.

1.9 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.

1.10 Investment income

Income arising from investments is recognised in the profit and loss account.

1.11 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.

1.12 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.

1.13 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 profit or loss for the period.

DESIGN AND ARTISTS COPYRIGHT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.14 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 accounts receivable and payable, 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 Profit and loss account.

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, 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.

1.15 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 payments obligations.

The contributions are recognised as an expense in the Profit and loss account 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.

1.16 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 2015

2. JUDGMENTS 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.

3. ANALYSIS OF TURNOVER

An analysis of turnover by class of business is as follows:

	2015 £	2014 £
Turnover	19,508,176	17,812,673
	<u>19,508,176</u>	<u>17,812,673</u>

Analysis of turnover by country of destination:

	2015 £	2014 £
United Kingdom	18,126,598	16,314,924
Rest of the world	1,381,578	1,497,749
	<u>19,508,176</u>	<u>17,812,673</u>

4. OTHER OPERATING INCOME

	2015 £	2014 £
Other operating income	60,848	17,262
	<u>60,848</u>	<u>17,262</u>

Other operating income includes grant income of £17,622 (2014 - £13,437).

DESIGN AND ARTISTS COPYRIGHT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

5. OPERATING PROFIT

The operating profit is stated after charging:

	2015	2014
	£	£
Depreciation of tangible fixed assets	255,333	252,940
Fees payable to the Company's auditor	13,500	13,000
Exchange differences	5,839	-
Defined contribution pension cost	55,777	42,288
	<u> </u>	<u> </u>

6. AUDITORS' REMUNERATION

	2015	2014
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	13,500	13,000
Fees payable to the Company's auditor and its associates in respect of:		
All other services	4,750	10,525
	<u> </u>	<u> </u>

7. EMPLOYEES

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

	2015	2014
	£	£
Wages and salaries	1,539,703	1,451,346
Social security costs	151,677	137,031
Cost of defined contribution scheme	55,777	42,288
	<u> </u>	<u> </u>
	<u>1,747,157</u>	<u>1,630,665</u>

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

	2015	2014
	No.	No.
Number of administration staff	46	39
Number of management staff	2	2
Number of non-executive Directors	11	12
	<u> </u>	<u> </u>
	<u>59</u>	<u>53</u>

DESIGN AND ARTISTS COPYRIGHT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

8. DIRECTORS' REMUNERATION

	2015	2014
	£	£
Directors' emoluments	64,087	50,554
	<u>64,087</u>	<u>50,554</u>
	<u><u>64,087</u></u>	<u><u>50,554</u></u>

9. INCOME FROM INVESTMENTS

	2015	2014
	£	£
Income from current asset investments	7,849	4,778
	<u>7,849</u>	<u>4,778</u>
	<u><u>7,849</u></u>	<u><u>4,778</u></u>
Dividends received - listed investments	13,076	3,631
	<u>13,076</u>	<u>3,631</u>
	<u><u>13,076</u></u>	<u><u>3,631</u></u>

10. INTEREST RECEIVABLE

	2015	2014
	£	£
Other interest receivable	35,932	69,940
	<u>35,932</u>	<u>69,940</u>
	<u><u>35,932</u></u>	<u><u>69,940</u></u>

11. INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
	£	£
Other interest payable	-	530
	<u>-</u>	<u>530</u>
	<u><u>-</u></u>	<u><u>530</u></u>

DESIGN AND ARTISTS COPYRIGHT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

12. TAXATION

	2015 £	2014 £
Corporation tax		
Current tax on profits for the year	11,487	-
Total current tax	<u>11,487</u>	<u>-</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is the same as (2014 - the same as) the standard rate of corporation tax in the UK of 20% (2014 - 20%) as set out below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>281,338</u>	<u>104,856</u>
Profit on ordinary activities multiplied by standard rate of corporation tax of 20% (2014 - 20%)	56,268	20,971
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	9,470	4,407
Capital allowances for year in excess of depreciation	(4,880)	(41,871)
Utilisation of tax losses	(44,165)	25,096
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	-	(7,053)
Capital gains	474	-
FRS 102 adjustments leading to an increase (decrease) in the tax charge	(5,680)	(1,550)
Total tax charge for the year	<u>11,487</u>	<u>-</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

13. EXCEPTIONAL ITEMS

During 2014 and 2015, DACS incurred exceptional legal and professional costs in relation to a dispute with The Copyright Licensing Agency which has since been resolved.

DESIGN AND ARTISTS COPYRIGHT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS

14. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Computer equipment £	Assets under construction £	Total £
Cost or valuation							
At 1 January 2015	932,730	880,683	55,827	92,686	1,279,566	27,049	3,268,541
Additions	-	22,180	45,000	10,325	4,230	82,667	164,402
Disposals	-	(8,352)	-	(16,031)	(27,396)	-	(51,779)
Transfers between classes	-	-	-	-	55,498	(55,498)	-
At 31 December 2015	932,730	894,511	100,827	86,980	1,311,898	54,218	3,381,164
Depreciation							
At 1 January 2015	-	11,997	1,376	69,044	982,277	-	1,064,694
Charge owned for the period	-	44,216	10,063	19,023	182,031	-	255,333
Disposals	-	-	-	(15,826)	(27,396)	-	(43,222)
At 31 December 2015	-	56,213	11,439	72,241	1,136,912	-	1,276,805
Net book value							
At 31 December 2015	932,730	838,298	89,388	14,739	174,986	54,218	2,104,359
At 31 December 2014	932,730	868,686	54,451	23,642	297,289	27,049	2,203,847

DESIGN AND ARTISTS COPYRIGHT SOCIETY
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15. DEBTORS

	2015 £	2014 £
Trade debtors	811,133	2,579,171
Other debtors	301,597	631,223
Prepayments and accrued income	54,844	54,915
	<u>1,167,574</u>	<u>3,265,309</u>

The high value of Trade Debtors in 2014 is a result of the dispute with The Copyright Licensing Agency.

16. CURRENT ASSET INVESTMENTS

	2015 £	2014 £
Listed investments	1,041,831	1,016,691
Unlisted investments (liquid)	8,299	7,301
	<u>1,050,130</u>	<u>1,023,992</u>

Listed investments

The market value of the listed investments at 31 December 2015 was £1,050,130 (2014 - £1,023,992).

During the year, listed investments were revalued upwards by £13,434 (2014 - £22,714).

17. CASH AND CASH EQUIVALENTS

	2015 £	2014 £
Cash at bank and in hand	7,404,530	5,243,887
	<u>7,404,530</u>	<u>5,243,887</u>

DESIGN AND ARTISTS COPYRIGHT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

18. CREDITORS: Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	9,678,443	10,004,741
Corporation tax	11,487	-
Taxation and social security	91,824	46,558
Other creditors	341,986	312,263
Accruals and deferred income	202,519	242,990
	<u>10,326,259</u>	<u>10,606,552</u>
	<u><u>10,326,259</u></u>	<u><u>10,606,552</u></u>

Included in trade creditors is a provision of £614,910 (2014 - £963,198) payable to artists and estates for primary use once the related debts included within Trade debtors have been physically collected.

19. FINANCIAL INSTRUMENTS

	2015	2014
	£	£
Financial assets		
Financial assets measured at fair value through profit or loss	1,041,832	1,016,691
Financial assets that are debt instruments measured at amortised cost	1,121,031	3,217,693
	<u>2,162,863</u>	<u>4,234,384</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(10,326,261)	(10,606,550)
	<u>(10,326,261)</u>	<u>(10,606,550)</u>
	<u><u>(10,326,261)</u></u>	<u><u>(10,606,550)</u></u>

Financial assets measured at fair value through profit or loss comprise of current asset investments held at market value.

Financial assets measured at amortised cost comprise of debtors less prepaid expenses and accrued income.

DESIGN AND ARTISTS COPYRIGHT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

20. RESERVES

Investment revaluation reserve

The investment revaluation reserve relates to unrealised fair value adjustments made to investments still held at the balance sheet date which are not distributable until the gains are realised.

Other reserves

Other reserves previously related to an amount set aside for late claimants. The transfer against this reserve relates to the exceptional costs in the year in relation to the dispute with the Copyright Licensing Agency (CLA). The Directors deemed it appropriate to use these reserves as the dispute specifically related to royalties owed to claimants from the CLA's collective licensing scheme. The remainder of the reserve will be carried forward and used to off-set other exceptional costs, occurring in 2016, relating to the CLA dispute, including the mediation process.

Repairs and building maintenance reserve

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

21. 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 2015 was £55,777 (2014 - £42,288).

22. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2015 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2015	2014
	£	£
Not later than 1 year	4,608	4,608
Later than 1 year and not later than 5 years	2,689	7,297
Total	<u>7,297</u>	<u>11,905</u>

DESIGN AND ARTISTS COPYRIGHT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

23. 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				
2015	-	257,107 *	-	265,457 *
2014	-	210,070 *	-	210,070 *

* Relates to amounts payable to artists.

Entities over which the company has significant influence

2015	35,194	80,194	48,140	45,000
2014	-	-	-	-

Entities controlled by key management personnel

2015	-	20,616	-	1,932
2014	15,797	7,099	-	-

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 £287,848 (2014 - £230,039).

24. 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.

DESIGN AND ARTISTS COPYRIGHT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS

25. FIRST TIME ADOPTION OF FRS 102

	As previously stated 1 January 2014 £	Effect of transition 1 January 2014 £	FRS 102 (as restated) 1 January 2014 £	As previously stated December 2014 £	Effect of transition December 2014 £	FRS 102 (as restated) December 2014 £
Fixed assets	546,386	-	546,386	2,203,847	-	2,203,847
Current assets	11,401,629	-	11,401,629	9,533,188	-	9,533,188
Creditors: amounts falling due within one year	(10,843,389)	-	(10,843,389)	(10,591,588)	(14,964)	(10,606,552)
Net current assets/(liabilities)	558,240	-	558,240	(1,058,400)	(14,964)	(1,073,364)
Total assets less current liabilities	1,104,626	-	1,104,626	1,145,447	(14,964)	1,130,483
Provisions for liabilities	(79,000)	-	(79,000)	-	-	-
Net assets	1,025,626	-	1,025,626	1,145,447	(14,964)	1,130,483
Capital and reserves	1,025,626	-	1,025,626	1,145,447	(14,964)	1,130,483

DESIGN AND ARTISTS COPYRIGHT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
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25. FIRST TIME ADOPTION OF FRS 102 (continued)

	Note	As previously stated 31 December 2014 £	Effect of transition 31 December 2014 £	FRS 102 (as restated) 31 December 2014 £
Turnover		17,812,673	-	17,812,673
Cost of sales		(14,760,976)	-	(14,760,976)
		3,051,697	-	3,051,697
Administrative expenses	1	(2,854,611)	(14,964)	(2,869,575)
Other operating income		17,262	-	17,262
Fair value movements	2	-	22,714	22,714
Other exceptional items		(191,151)	-	(191,151)
		23,197	7,750	30,947
Income from investments		8,409	-	8,409
Amounts written off investments		(3,910)	-	(3,910)
Interest receivable and similar income		69,940	-	69,940
Interest payable and similar charges		(530)	-	(530)
Profit on ordinary activities after taxation and for the financial year		97,106	7,750	104,856

Explanation of changes to previously reported profit and equity:

- 1 Per FRS 102 holiday pay must be accrued for. During the prior year there were outstanding holiday days carried forward into the current year. An adjustment has therefore been made to accruals and administrative expenses in relation to the 2014 holiday pay accrual.
- 2 Per FRS 102, investments in shares whose fair value cannot be reliably measured are carried at cost less impairment, while those in publicly traded shares or shares whose fair value can be reliably measured are carried at fair value with changes in fair value being recognised in the profit and loss account. An adjustment has therefore been made to recognise the fair value gain on the company's listed investments in 2014 in the profit and loss account.