



**Authors'
Licensing and
Collecting
Society**

**Annual Transparency Report
2021/2022**

AUTHORS' LICENSING AND COLLECTING SOCIETY (ALCS) ANNUAL TRANSPARENCY REPORT (FINANCIAL YEAR 2021/22)

This report has been compiled in accordance with the terms of the Collective Management of Copyright (EU Directive) Regulations (2016). Further information about ALCS for the financial year 2021/22 can be found in our Annual Report and Financial Statements on our [website](http://www.alcs.co.uk) (www.alcs.co.uk).

LEGAL AND GOVERNANCE STRUCTURE

ALCS is a collective management organisation owned and controlled by its Members being authors (Ordinary Members) and their successors (Successor Members). A private company limited by guarantee, ALCS is governed by a Board of Directors the majority of whom must be elected by the Members. The ALCS Articles of Association permit the board to appoint up to three directors subject to such appointments being subsequently ratified by the Members in a General Meeting.

MEMBERSHIP OF OTHER BODIES

During this financial period ALCS has been a member of or affiliated to the following bodies:

- All Party Parliamentary Writers' Group (Group Administrator)
- British Copyright Council (BCC)
- International Confederation of Societies of Authors and Composers (CISAC)
- Copyright Licensing Agency (CLA)
- Educational Recording Agency (ERA)
- Fetter Investments Limited
- International Authors Forum (IAF)
- International Federation of Reproduction Rights Organisations (IFRRO)
- Society of Audiovisual Authors (SAA)

REPORT ON ACTIVITIES DURING THE FINANCIAL YEAR

A summary of activities during the financial year is set out below:

COLLECTIONS AND DISTRIBUTIONS

There was a 3.3% decrease in licence income this year to £39,560,067 from the previous year's record amount of £40,900,198. This was still our second highest collection on record.

This year the gross distribution paid to Members and overseas societies was a record £41,015,770 (2021 £38,272,968). Further information and detailed breakdowns regarding amounts collected and distributed can be found in the Financial Information on Rights Revenue section of this report.

MEMBERSHIP

During the year the ALCS membership increased by 3,633 to 115,464.

LOBBYING AND CAMPAIGNING

During the year ALCS has continued to lobby on behalf of authors in the UK and internationally.

UK activities include:

- raising awareness with Government officials on the potential effects of changes to legislation being considered as a result of Brexit
- advocating the need to protect authors' incomes in light of the Covid-19 pandemic with the Government across a range of departments
- raising the importance of intellectual property with MPs and Lords via the administration of the 'Film the House' parliamentary filmmaking competition
- working with the APWG to keep issues concerning writers on the parliamentary agenda including advocating for the key asks of Government in its inquiry into authors' earnings and its supplementary inquiry supporting writers through the Covid-19 crisis.

EU and international activities include:

- working with the SAA promoting 'appropriate and proportionate' remuneration as part of the EU Directive on Copyright in the Digital Single Market
- working with UK partners to discuss how measures in the EU Copyright Directive which benefit authors might be developed in the context of future UK legislation
- working with PLR International to promote the principle of lending rights and compensation for authors around the world
- lobbying with the IAF at the World Intellectual Property Organization (WIPO) to preserve authors' rights in the context of exceptions on education, libraries and archives.

COPYRIGHT REFORM AGENDA

Alongside partner organisations ALCS continues to make strong representations to the UK Government, the European Commission and the World Intellectual Property Organisation on this issue on behalf of writers. This financial year saw the continuing implementation by member states of the EU Directive on Copyright in the Digital Single Market, an important legislative reform which includes measures designed to protect authors' remuneration and introduces new regulations affecting the operation of online content-sharing platforms.

ALCS continues to argue for the domestic adoption of these measures from the Directive despite the UK's withdrawal from the EU. ALCS also worked with partners on the Save Our Books campaign to stave off suggestions that parallel imports of books would be acceptable as this would negatively impact the entire publishing industry, especially authors' primary royalties.

BREXIT

ALCS has continued to engage with partner organisations across EU member states to minimise any disruption to the representation of ALCS Members' rights in Europe as a consequence of Brexit. We have also continued to participate in stakeholder dialogue with the Government to ensure that any amendments to UK legislation resulting from Brexit do not negatively impact on authors' rights, remunerations and licensing structures under UK copyright law. We have also engaged with the Intellectual Property Office and Department for International Trade to ensure that any new trade deals include the necessary provisions to promote UK copyright and protect authors' rights.

COVID-19

Having successfully maintained its operations during lockdowns, during this financial period the Company migrated to a hybrid style of working and successfully completed both of its annual distributions (totalling £41million). Although licence income decreased slightly year on year, it continues not to be affected by the pandemic. The Board and Executive continue to work tirelessly on behalf of our members to collect and distribute as much as possible being fully aware of the effect the various lockdowns have had on our industry.

DEDUCTIONS FOR SOCIAL, CULTURAL AND EDUCATIONAL SERVICES

This year ALCS provided funding to organisations working to support authors and/or promote awareness about copyright. Charitable donations of £225,500 were made to organisations which have a close affinity to writers. The awards, festivals and events we've funded this year include:

- Comedy Women in Print
- CWA Daggers Awards
- English Pen – Translators festival
- Film the House
- National Poetry Day
- National Writing Day
- New Writing North – Digital Writing Workshops
- NLT – Ruth Rendell Award
- NLT – National Reading Championships
- PEN – International Translators Awards
- RSL – VS Pritchett Short Story Prize
- SOA – ALCS Educational Writers' Award
- SOA – ALCS Tom-Gallon Trust Award
- SOA – ADCI prize
- SOA – Society of Authors' Award
- Spread the word – London writers award
- Stroud Festival
- Tinniswood Award
- UK International Radio Drama Festival
- WGGB Awards
- WGGB diversity research

REMUNERATION OF CHIEF EXECUTIVE OFFICER AND BOARD OF DIRECTORS

The remuneration and other benefits received by the Chief Executive Officer and Directors of ALCS during the financial year (as recorded in the Annual Report and Financial statements) are as follows:

Owen Atkinson (Chief Executive Officer, Director)	Total remuneration: £254,354 (Emoluments: £252,803 Other Benefits: £1,551)	
Tony Bradman (Chair, Director)	Fees received as an ALCS Director: £41,454	Revenue received as an ALCS member: £5,000 – £10,000
Faye Bird (Director)	Fees received as an ALCS Director: £10,178	Revenue received as an ALCS member: £100 – £1,000
Helen Blakeman (Director from December 2021)	Fees received as an ALCS Director: £3,532	Revenue received as an ALCS member: £5,000 – £10,000
Tom Chatfield (Director)	Fees received as an ALCS Director: £10,088	Revenue received as an ALCS member: £100 – £1,000
Maggie Gee (Director to November 2021)	Fees received as an ALCS Director: £6,726	Revenue received as an ALCS member: £100 – £1,000
Joanne Harris (Director)	Fees received as an ALCS Director: £10,088	Revenue received as an ALCS member: £5,000 – £10,000
James McConnachie (Director)	Fees received as an ALCS Director: £10,164	Revenue received as an ALCS member: £100 – £1,000
Okey Nzelu (Director from June 2021)	Fees received as an ALCS Director: £8,685	Revenue received as an ALCS member: £100 – £1,000
Diane Redmond (Director)	Fees received as an ALCS Director: £10,137	Revenue received as an ALCS member: £5,000 – £10,000
Michael Ridpath (Director to April 2021)	Fees received as an ALCS Director: N/A	Revenue received as an ALCS member: £100 – £1,000
Joan Smith (Director)	Fees received as an ALCS Director: £10,088	Revenue received as an ALCS member: £100 – £1,000

FINANCIAL INFORMATION ON RIGHTS REVENUE

The ALCS general policies on distribution and investment of rights revenue are set by the Board and approved by the Members. These policies, which are available on the ALCS [website](http://www.alcs.co.uk) (www.alcs.co.uk), provide that income arising from the investment of rights revenue is used to offset operational costs enabling the company to maintain a stable commission rate.

During this financial year, in accordance with the distribution policy, a commission of 9.5% was deducted by ALCS at the point of distribution to cover operational costs. (There was no fixed deduction in respect of social/ cultural activities). Any surplus commission arising as a result of investments performing beyond expectation is either taken to reserves or returned to Members in the following financial year. This year the Board decided to return surplus commission of £346,779 to Members. As a result, the actual commission rate charged to Members during this period was 8.7%.

ALCS applies a single rate of commission to all distributions and does not differentiate between different categories of rights when allocating administrative costs. The Notes to the Financial Statements provide a breakdown of administrative expenses. During this financial period the figure for costs as a proportion of rights revenue is 12.7%. This is then further reduced by the returns on our investments. The rates for the additional commission applied by our UK licensing agencies CLA and ERA during this period were 12% and 4.7% respectively.

In terms of services from third party providers relevant to distribution operations, the following table identifies the specific costs associated with data collection and the sources they relate to:

Supplier	Paid	Sources
Nielsen Bookdata Ltd	£3,492.00	Lending, Other Literary & Reprographic
Infomedia	£61,808.39	Other Audiovisual, Private Copying & Retransmission
Ericsson Media Services	£14,443.55	Educational Recording, Other Audiovisual, Private Copying & Retransmission
IDA	£11,321.92	Educational Recording, Other Audiovisual, Private Copying & Retransmission
IPI	£1,993.12	Educational Recording, Other Audiovisual, Private Copying & Retransmission

ALCS makes two main distributions each year in March and September.

Note 14 to the [Financial Statements](#) sets out the overall amount of royalties that is due to writers, identifying sums that have yet to be distributed by reference to their year of collection. These sums include around £444k of aggregated 'non-distributable' payments which, in accordance with the ALCS [Distribution Rules](#), are fees due to authors that remain unpaid at the end of a due diligence process to identify and locate them (www.alcs.co.uk/how-alcs-is-run).

ALCS aims to make payments to identified rightholders but, in the case of small, individual sums, the cost of locating the rightholders often exceeds the value of the payments due to them. As such, the details of the works against which payments are being held are made available through the Online Royalties Checker on the ALCS website to enable individual rightholders to search for, identify and claim fees due to them.

Under the distribution policy income that is available for distribution but has yet to be claimed, as described above, is invested to defray ALCS administration costs enabling the organisation to maintain the level of commission it charges to Members.

Table of rights revenues for 2021/22

The following table sets out the rights revenue collected during this financial period broken down by categories of right and usage sectors with further breakdowns indicating the amounts that were attributed and distributed to authors and the associated administrative costs. The table also sets out amounts paid by ALCS to other collective management organisations for payments to authors based outside of the UK.

Rights and use	Income received (£)	Income allocated (£)	Income unallocated (£)	Income distributed (£)	Income undistributed (£)	Distributed to other CMOs (£)	Administrative expenses (£)**
Educational Audiovisual	1,777,395.80	1,557,033.97	220,361.83	1,127,704.66	649,691.14	107,984.58	221,658.72
Lending	750,484.05	496,114.25	254,369.80	436,914.05	313,570.00	77,798.11	85,878.70
Other Audiovisual*	1,256,749.26	1,207,786.40	48,962.86	1,163,480.75	93,268.51	86,250.54	228,690.78
Other Literary*	159,937.64	159,937.64	0.00	146,244.57	13,693.07	28,306.43	28,745.46
Private Copying	1,825,325.99	1,701,073.46	124,252.53	1,592,640.02	232,685.97	96,398.53	313,045.22
Reprographic – Business	3,915,885.34	2,193,215.16	1,722,670.18	479,094.07	3,436,791.27	172,243.50	94,169.50
Reprographic – Education	12,751,641.52	12,594,270.32	157,371.20	9,827,435.35	2,924,206.17	1,510,320.42	1,931,655.37
Reprographic – EU	1,616,512.41	1,334,018.78	282,493.64	1,093,931.98	522,580.43	131,986.71	215,020.45
Reprographic – Miscellaneous	6,064,264.10	1,953,602.16	4,110,661.92	1,877,882.94	4,186,381.16	13,665.81	369,111.83
Reprographic – Overseas	1,748,620.96	1,439,223.07	309,397.90	1,126,348.87	622,272.09	198,942.57	221,392.23
Reprographic – Public Administration	1,111,197.79	858,693.80	252,503.99	204,228.72	906,969.07	25,336.15	40,142.67
Retransmission	6,278,145.04	6,020,648.75	257,496.29	5,705,506.72	572,638.32	408,348.58	1,121,459.70
Visual Arts	303,907.07	290,352.55	13,554.52	285,023.07	18,884.00	111.68	56,023.40
Totals	39,560,066.97	31,805,970.31	7,754,096.66	25,066,435.77	14,493,631.20	2,857,693.61	4,926,994.03

* Accumulated income from minor sources collected pursuant to domestic and EU licensing agreements.

**Administrative expenses (except for those specifically identified above) are allocated in direct proportion to the income distributed.

The total sum distributed during this year of £41,015,770 as reported in the Annual Report and Financial Statements includes £15,949,334 in respect of payments received in previous financial years.

The table below sets out the relevant rights/uses in respect of revenue collected during this financial period from the various overseas collective rights management organisations with which ALCS holds representation agreements:

Overseas society	Country	Rights
AIPA	Slovenia	Retransmission
AKKA/LAA	Latvia	Private Copying, Other Audiovisual
ALIS	Sweden	Other Audiovisual
ARGENTORES	Argentina	Retransmission
Copyright Agency	Australia	Reprographic
COPYDAN	Denmark	Retransmission; Educational Audiovisual; Private Copying
COPYSWEDE	Sweden	Private Copying, Other Audiovisual
CRC	Canada	Retransmission
DAMA	Spain	Retransmission, Private Copying, Other Audiovisual
DILIA	Czech Republic	Retransmission, Private Copying
EAU	Estonia	Retransmission, Private Copying
SOFIA	France	Lending
ICLA	Ireland	Reprographic
IMRO	Ireland	Retransmission
KOPINOR	Norway	Other Literary
KOPIOSTO	Finland	Educational Audiovisual; Audiovisual Recording/Storage
LATGAA	Lithuania	Retransmission
STITCHING LIRA	Netherlands	Retransmission, Private Copying, Lending
LITA	Slovakia	Retransmission, Private Copying
LITERAR-MECHANA	Austria	Retransmission, Private Copying, Lending, Other Literary
NORWACO	Norway	Retransmission, Private Copying
REDES	Colombia	Other Audiovisual
PRO LITTERIS	Switzerland	Retransmission, Other Audiovisual
SABAM	Belgium	Retransmission, Other Audiovisual
SACD	France	Retransmission, Private Copying

SGAE	Spain	Retransmission, Private Copying, Other Audiovisual
SIAE	Italy	Retransmission, Private Copying, Reprographic, Other Audiovisual
SPA	Portugal	Retransmission
SSA	Switzerland	Retransmission, Private Copying
SUISSIMAGE	Switzerland	Retransmission, Private Copying, Educational Audiovisual
WGA West	USA	Private Copying
VG Wort	Germany	Retransmission, Private Copying, Lending
ZAMP	Croatia	Retransmission, Private Copying
ZAPA	Poland	Retransmission, Private Copying, Other Audiovisual

The total amounts collected from the overseas collective rights management organisations listed above were as follows:

Rights and use	Income received (£)
Educational Audiovisual	72,395.80
Lending	750,484.05
Other Audiovisual	1,256,749.26
Other Literary	159,937.64
Private Copying	1,825,325.99
Reprographic	57,046.34
Retransmission	5,718,159.36

ADMINISTRATION OF PAYMENTS FOR THIRD PARTIES

During this financial period ALCS provided distribution services to Writers Digital Payments, a non-profit organisation established to manage payments for online uses of audiovisual works, for which ALCS received an administration fee of £30k.

AUDITORS' REPORT TO THE DIRECTORS OF AUTHORS' LICENSING AND COLLECTING SOCIETY LIMITED

We have performed the procedures agreed with you and enumerated below with respect to the annual transparency report of Authors' Licensing and Collecting Society Limited for the year ended 31 March 2022. Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements. The procedures were performed solely for the purpose of your compliance with Regulation 21(2)(b) of the Collective Management of Copyright (EU Directive) Regulations (2016) and are summarised in guidance issued by the Intellectual Property Office to Auditors in October 2017.

Solely on the basis of the above procedures we report that:

We carried out the procedures as set out in Annex A: Agreed upon procedures for the audit of an annual transparency report of the "Guidance on the collective management of Copyright (EU Directive) Regulations 2016: annual transparency reports and audit" issued by the Intellectual Property Office in October 2017. There were no errors or exceptions found as a result of our testing. Because the above procedures do not constitute engagements made in accordance with International Standards on Auditing (UK) or the International Standard for Review Engagements (UK and Ireland), we do not express any assurance on the annual transparency report for the year ended 31 March 2022.

Had we performed additional procedures or had we performed engagements in accordance with International Standards on Auditing (UK) or the International Standard for Review Engagements (UK and Ireland), other matters might have come to our attention that would have been reported to you.

Use and purpose of our report

Our Report is prepared solely for the use of Authors' Licensing and Collecting Society Limited and solely for the purpose of its compliance with Regulation 21(2)(b) of the Collective Management of Copyright (EU Directive) Regulations (2016). It may not be relied upon by Authors' Licensing and Collecting Society Limited for any other purpose whatsoever. Our Report was not prepared for the benefit of any party other than Authors' Licensing and Collecting Society Limited. Shipleys LLP neither owes nor accepts any duty to any other party (including any copyright owner, heirs to copyright owners, agents or licensees) and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by their reliance on our Report.



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Date: 7 September 2022

