



**Authors'
Licensing and
Collecting
Society**

ANNUAL TRANSPARENCY REPORT

2022/23



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 2022/23 can be found in our Annual Report and Financial Statements on our [website](#).

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 (APWG) (Group Administrator)
- Audiovisual Licensing Alliance (AVLA)
- 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

This year, we collected our highest ever amount £43,436,135 (2022 £39,560,067), an increase of 9.8% on last year. This year the gross distribution paid to Members and overseas societies was a record £44,833,367 (2022 £41,015,770), an increase of 9.3% on last year. 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 4,683 to 120,147.

ADVOCACY AND CAMPAIGNING

During the year ALCS has continued its advocacy work on behalf of authors in the UK and internationally.

UK activities include:

- pressing the Government to abandon its policy for a broad exception to copyright permitting text and data mining
- advocating the need to protect authors' rights in light of developments in generative AI technology by promoting our Authors and AI Principles document to Government and shadow departments
- working with partners from other creators' organisations to advocate for the Smart Fund, a scheme designed to provide fair remuneration to creators for use of their works on digital devices.
- 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
- raising the importance of intellectual property with MPs and Lords via the administration of the 'Film the House' parliamentary filmmaking competition

EU and international activities include:

- as the EU Digital Single Market is implemented, working with the SAA to promote the full adoption of measures to provide 'appropriate and proportionate' remuneration to authors
- working with EU and UK partners to discuss how measures in the EU Copyright Directive which benefit authors might be developed in the context of future UK legislation
- undertaking advocacy with the IAF at the World Intellectual Property Organization (WIPO) to preserve authors' rights in the context of exceptions on education, libraries and archives and securing a WIPO study aimed at developing new PLR schemes around the world
- working with PLR International to promote the principle of lending rights and compensation for authors in the EU and internationally

COPYRIGHT REFORM AGENDA

Throughout the year, alongside partner organisations, ALCS has continued to make strong representations to the UK Government and the World Intellectual Property Organisation on this issue on behalf of writers. Within the UK, we saw the early signs of the impact of AI technologies on copyright policy with a proposal to introduce a broad exception to copyright for the purposes of text and data mining. Together with other bodies representing creators and rightsholders, ALCS argued firmly for a rethink of this policy and we welcomed the Government's decision not to pursue it. Internationally, this year saw the continued implementation of the EU Directive on Copyright in the Digital Single Market, an important legislative reform which includes measures designed to protect authors' remuneration alongside new regulations affecting the operation of online platforms. ALCS continues to argue for the adoption of certain provisions of the Directive in the UK, despite the UK's withdrawal from the EU. Beyond the EU, through the IAF, we have secured agreement within WIPO for an international study on the public lending right. Authors' rights to receive remuneration for the lending of their works in libraries is an important principle – indeed it is the principle upon which ALCS was founded - but in practice PLR schemes are typically limited to continental Europe. We hope this study will, in time, see this important authors' right established far more widely across the world.

AUTHORS' EARNINGS SURVEY

November 2022 saw the publication of the fourth authors' earnings survey commissioned by ALCS. The research team from the CREATe School of Law and Advanced Research at the University of Glasgow reported a decline in the typical earnings from self-employed writing among primary occupation authors of 38.2% (in real terms) since the last survey in 2018. The study also highlighted a disparity of wealth distribution overall – with the top 10% of earners accounting for about 47% of total incomes – and in relation to different demographic groups, noting an ongoing challenge regarding greater diversity within the writing community. The full report can be found [here](#).

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 of £175,650 (2022: £225,500) were made to organisations which have a close affinity to writers – the awards, festivals and events we've funded this year include:

- The Children's Media Foundation – Events Programme and Children's Media Yearbook 2022-3
- Obsidian Foundation – Black Women Poets Masterclass Series
- Hammersmith & Fulham Writers' Festival
- All Stories
- Writing West Midlands - National Writers' Conference
- Writing West Midlands - National Teen Writers' Conference
- New Writing North – Wellbeing and Mentoring for writers, session on copyright
- CWA – CWA ALCS Gold Dagger for Non-fiction

- SoA – The ALCS Tom-Gallon Trust Award
- SoA – The Imison Award
- SoA – The SoA Award virtual celebration
- Inklusion – a kickass guide to making literature events accessible to disabled people
- Black and Asian Writers’ Conference
- New Writing South – Writers Week
- International Radio Drama Festival
- Writing East Midlands – mentoring programme
- WGGB – Tinniswood Award
- WGGB awards
- CILIP - Carnegie medals
- First Story copyright education
- NLT – National Reading Championships
- RSL – VS Pritchett Award
- Comedy Women in Print
- English PEN – International Translation Day
- Film the House
- National Poetry Day
- NLT – Ruth Rendell Award
- SoA – ALCS Educational Writers’ Award
- Stroud Festival
- CLPE – CLIPPA Award

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) were as follows:

Owen Atkinson (Chief Executive Officer, Director to October 2022)	Total Remuneration £175,279 Emoluments £174,386 Other Benefits £893	
Barbara Hayes (Chief Executive Officer, Director from November 2022)	Total Remuneration £112,222 Emoluments £111,196 Other Benefits £1,026	
Tony Bradman (Chair to December 2022)	Fees received as an ALCS Director: £32,768	Revenue received as an ALCS member: £5,000 - £10,000

Jo Revill (Chair from January 2023)	Fees received as an ALCS Director: £10,100	Revenue received as an ALCS member: £100 -£1,000
Faye Bird (Director to February 2023)	Fees received as an ALCS Director: £11,247	Revenue received as an ALCS member: £100 -£1,000
Helen Blakeman (Director)	Fees received as an ALCS Director: £14,253	Revenue received as an ALCS member: £1,000 - £5,000
Tom Chatfield (Director)	Fees received as an ALCS Director: £10,633	Revenue received as an ALCS member: £1,000 -£5,000
Maggie Gee (Director from November 2022)	Fees received as an ALCS Director: £3,577	Revenue received as an ALCS member: £100 -£1,000
Joanne Harris (Director)	Fees received as an ALCS Director: £10,846	Revenue received as an ALCS member: £1,000 - £5,000
James McConnachie (Director)	Fees received as an ALCS Director: £10,830	Revenue received as an ALCS member: £100 - £1,000
Okey Nzelu (Director)	Fees received as an ALCS Director: £11,267	Revenue received as an ALCS member: £100 - £1,000
Diane Redmond (Director)	Fees received as an ALCS Director: £12,674	Revenue received as an ALCS member: £5,000 - £10,000
Joan Smith (Director to November 2022)	Fees received as an ALCS Director: £8,589	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](#), 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% (until February) and 10.00% in March 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 £685,141 to Members. As a result, the actual commission rate charged to Members during this period was 8.3%.

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 12.5%. 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 4.5% 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	£3,596.00	Lending, Other Literary & Reprographic
Infomedia	£47,241.26	Other Audiovisual, Private Copying & Retransmission
Ericsson Media Services	£18,487.69	Educational Recording, Other Audiovisual, Private Copying & Retransmission
IDA	£19,412.88	Educational Recording, Other Audiovisual, Private Copying & Retransmission
IPI	£3,420.23	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 £494k 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.

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 2022/23

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	1,862,936.83	1,850,784.58	12,152.25	1,246,990.36	615,946.47	142,800.09	243,510.47
Lending	839,219.54	709,433.93	129,785.61	436,309.03	402,910.51	86,181.84	85,201.80

Other Audiovisual*	3,200,744.22	3,193,331.80	7,412.42	3,081,318.70	119,425.52	214,292.59	601,715.45
Other Literary*	9,079.93	6,579.93	2,500	5,474.31	3,605.62	40.41	1,069.02
Private Copying	2,083,159.06	2,058,918.11	24,240.95	2,012,413.80	70,745.26	82,172	392,981.25
Reprographic - Business	4,425,816.75	2,528,017.88	1,897,798.87	1,144,880.84	3,280,935.91	385,231.42	223,570.67
Reprographic - Education	13,856,002.29	13,814,778.58	41,223.71	10,048,516.41	3,807,485.88	1,603,840.21	1,962,259.73
Reprographic - EU	2,414,710.96	1,857,229.54	557,481.42	1,504,003.52	910,707.44	153,433.23	293,699.63
Reprographic - Miscellaneous	4,559,999.78	262,071.93	4,297,927.85	190,602.39	4,369,397.39	9,570.55	37,220.56
Reprographic - Overseas	2,050,694.53	1,637,583.38	413,111.15	947,520.14	1,103,174.39	184,418.86	185,030.36
Reprographic - Public Admin	1,095,872.87	939,590.33	156,282.54	208,324.41	887,548.46	26,021.38	40,681.29
Retransmission	6,702,617.96	6,649,698.79	52,919.17	6,306,892.50	395,725.46	508,824.70	1,231,600.84
Visual Arts	335,280.73	310,797.01	24,483.72	305,455.29	29,825.44	116.85	59,648.87
Total	43,436,135.45	35,818,815.79	7,617,319.66	27,438,701.70	15,997,433.75	3,396,944.13	5,358,189.94

* 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 £44,833,367 as reported in the Annual Report and Financial Statements includes £17,394,665 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
AKKA/LAA	Latvia	Retransmission, Private Copying, Other Audiovisual
ALIS	Sweden	Other Audiovisual
ARTISJUS	Hungary	Private Copying
CAL	Australia	Reprographic, Other Literary
CLASS	Singapore	Reprographic
COPYDAN TV	Denmark	Retransmission, Educational Audiovisual
COPYSWEDE	Sweden	Retransmission
CSCS	Canada	Retransmission
DAMA	Spain	Retransmission, Private Copying, Other Audiovisual
DILIA	Czech Republic	Retransmission, Private Copying, Lending
EAU	Estonia	Retransmission, Private Copying, Other Audiovisual
FILMJUS	Hungary	Retransmission, Private Copying
ICLA	Ireland	Reprographic
IMRO	Ireland	Retransmission

KOPIOSTO	Finland	Retransmission, Educational Audiovisual, Other Audiovisual
LATGAA	Lithuania	Retransmission, Private Copying, Lending, Reprographic
LITA	Slovakia	Retransmission, Private Copying
LITERAR-MECHANA	Austria	Retransmission, Private Copying, Other Audiovisual, Lending
NORWACO	Norway	Retransmission, Private Copying, Educational Audiovisual
PRO LITTERIS	Switzerland	Retransmission, Other Audiovisual
REDES	Colombia	Retransmission
SABAM	Belgium	Retransmission, Other Audiovisual
SACD	France	Retransmission, Private Copying
SCAM	France	Retransmission, Private Copying, Other Audiovisual, Reprographic
SCREENRIGHTS	Australia	Retransmission, Educational Audiovisual
SGAE	Spain	Private Copying, Other Audiovisual
SIAE	Italy	Private Copying, Other Audiovisual
SSA	Switzerland	Retransmission, Private Copying, Educational Audiovisual, Other Audiovisual
SOFIA	France	Lending
STICHTING LIRA	Netherlands	Retransmission, Private Copying, Lending
SUISSIMAGE	Switzerland	Retransmission, Private Copying, Educational Audiovisual
VG WORT	Germany	Retransmission, Private Copying, Other Audiovisual, Lending, Reprographic
WGA West	USA	Retransmission

WGJ	Japan	Retransmission
ZAMP	Croatia	Retransmission, Private Copying
ZAPA	Poland	Retransmission, Private Copying, Other Audiovisual

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

Rights and Use	Income Received
Educational Audiovisual	£102,936.83
Lending	£839,219.54
Other Audiovisual	£3,200,744.22
Other Literary	£9,079.93
Private Copying	£2,083,159.06
Reprographic	£450,255.27
Retransmission	£6,080,483.10

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 £45k.

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 2023. 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 2023.

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.

Tim Hardy



Shipleys LLP,
10 Orange Street, Haymarket, London, WC2H 7DQ

Date: 22 September 2023