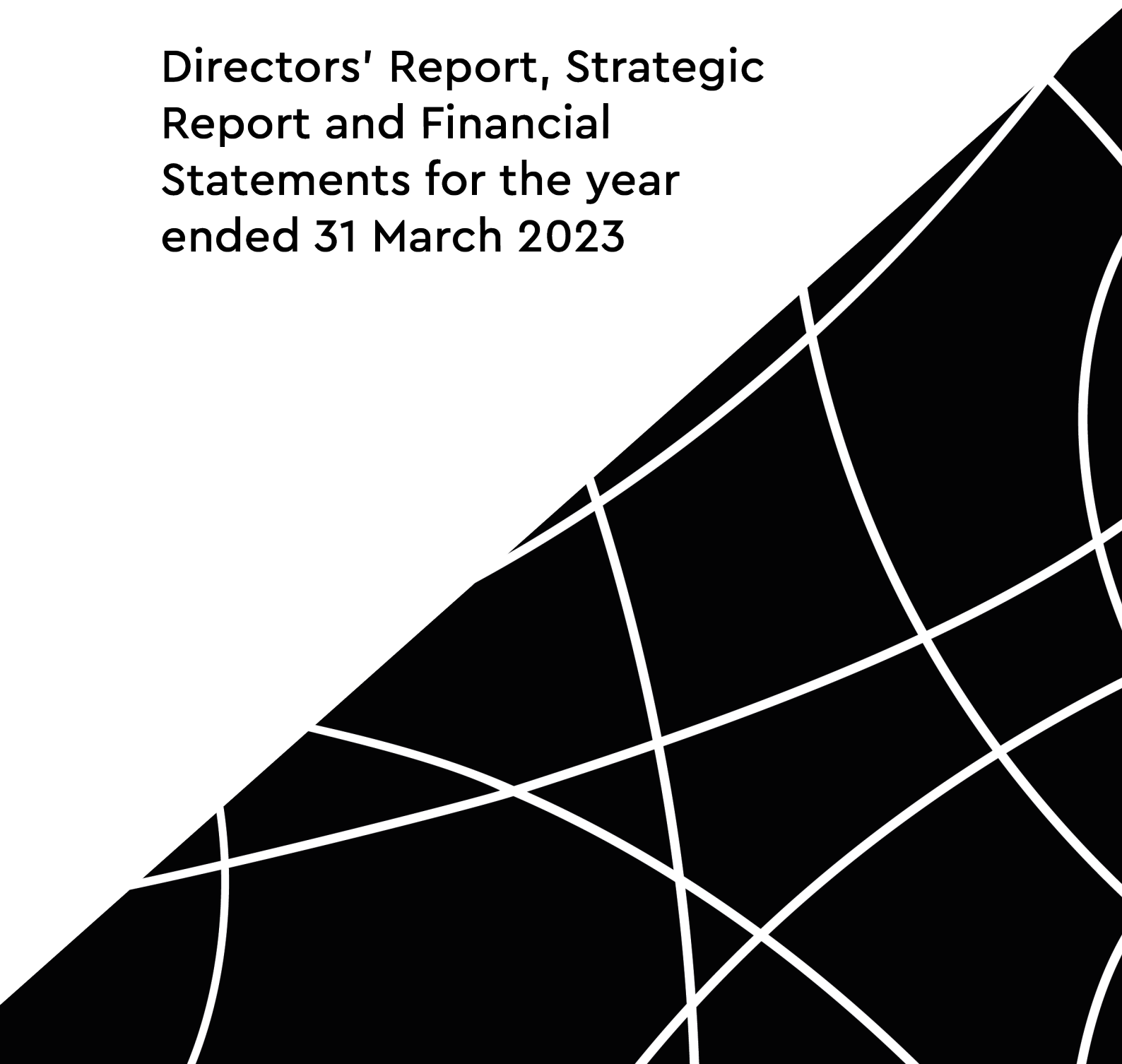


**Authors'  
Licensing and  
Collecting  
Society**

**Directors' Report, Strategic  
Report and Financial  
Statements for the year  
ended 31 March 2023**



# **AUTHORS' LICENSING AND COLLECTING SOCIETY LIMITED**

Sixth Floor, International House  
1 St Katharine's Way  
London  
E1W 1UN

Tel: 020 7264 5700  
Email: [alcs@alcs.co.uk](mailto:alcs@alcs.co.uk)  
[www.alcs.co.uk](http://www.alcs.co.uk)

## **LIFETIME PRESIDENT**

Maureen Duffy

## **CHAIR**

Tom Chatfield

## **DIRECTORS**

Tony Bradman (Chair, resigned December 2022)  
Jo Revill (Chair from January 2023 to July 2023)  
Owen Atkinson (Chief Executive Officer, resigned October 2022)  
Barbara Hayes (Chief Executive Officer from October 2022)  
Faye Bird (resigned February 2023)  
Helen Blakeman  
Tom Chatfield (Director to May 2023, Chair from July 2023)  
Chun Kit Fan (appointed June 2023)  
Maggie Gee (from November 2022)  
Joanne Harris  
James McConnachie  
Okechukwu Nzelu  
Diane Redmond  
Joan Smith (resigned November 2022)  
Edwin Thomas (appointed June 2023)

## **COMPANY SECRETARY**

Owen Atkinson (resigned October 2022)  
Richard Combes (from October 2022)

## **COMPANY NUMBER**

01310636

## **COMPANY STATUS**

The Authors' Licensing and Collecting Society Ltd is a company limited by guarantee.

## **REGISTERED OFFICE**

Sixth Floor, International House  
1 St Katharine's Way  
London  
E1W 1UN

## **AUDITORS**

Shipleys LLP  
10 Orange Street  
Haymarket  
London  
WC2H 7DQ

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## **DIRECTORS' REPORT**

**The Board of Directors herewith presents its Directors' Report and Strategic Report, together with the Audited Financial Statements of the Company for the year ended 31 March 2023.**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing the Directors' Report, the Strategic 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgements and accounting estimates that are reasonable and prudent
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with section 414(11) of the Companies Act 2006, various matters usually dealt with in the Directors' Report have been included in the Strategic Report, including financial risks and future developments.

### **CHAIR**

Tony Bradman served as Chair of the Board from April to December when he was succeeded by Jo Revill, who served from January to July 2023. In July 2023, Tom Chatfield became the Chair.

### **DIRECTORS**

The Directors who served during the year were: Tony Bradman (to December 2022), Owen Atkinson (to October 2022), Faye Bird (to February 2023), Helen Blakeman, Tom Chatfield, Maggie Gee (from November 2022), Joanne Harris, Barbara Hayes (from November 2022), James McConnachie, Okechukwu Nzelu, Diane Redmond, Jo Revill (from January to July 2023) and Joan Smith (to November 2022).

### **FINANCE AND AUDIT COMMITTEE MEMBERS**

The following Directors were members of the Finance and Audit Committee during the year: James McConnachie (Committee Chair), Owen Atkinson (to October 2022), Helen Blakeman, Tony Bradman (to December 2022), Barbara Hayes (from November 2022), Okechukwu Nzelu (from January 2023), Diane Redmond (to January 2023) and Jo Revill (from January to July 2023). Additionally, Deborah Rees (as an external independent adviser) and Mark Bispham as Chief Financial Officer were members of the Committee.

## DIRECTORS' REPORT (cont.)

### ADMINISTRATION AND PERSONNEL

At the end of the financial year the number of staff working for ALCS was 43 (2022: 38). Owen Atkinson served as Company Secretary to October and Richard Combes served for the rest of the year.

### CHARITABLE DONATIONS

Charitable Donations of £175,650 (2022: £225,500) were made to organisations which have a close affinity to writers – including the National Literacy Trust, Royal Society of Literature, Centre for Literacy in Primary Education, CILIP, English PEN, Forward Arts Foundation, First Story and the School Library Association. Included in the above figure is a special donation agreed by the Board to the Society of Authors' Contingency Fund.

### STATEMENT OF POST BALANCE SHEET EVENTS

There are no post balance sheet events to report.

### DISCLOSURE OF INFORMATION TO AUDITORS

So far as each of the Directors at the time of the report approval is aware:

- there is no relevant audit information of which the Company's auditors are unaware
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

### AUDITORS

Shipleys LLP have indicated their willingness to continue in office as auditors to the Company and a resolution to reappoint Shipleys LLP as auditors of the Company will be proposed at the 2023 AGM.

**On behalf of the Board of Directors on 14 September 2023:**



**Tom Chatfield**  
Director  
Chair of the Board of Directors



**James McConnachie**  
Director  
Chair of the Finance and Audit Committee

## STRATEGIC REPORT

### PRINCIPAL ACTIVITIES OF THE COMPANY

The Company represents writers in all genres. It collects and distributes fees for rights which can only, or can most effectively, be administered through collective administration in the United Kingdom and abroad. The Company has agreements with over 57 societies in more than 40 countries. Where appropriate, ALCS also collects from UK schemes and distributes to societies in these countries on behalf of their writer members.

### STRATEGIC RISKS AND UNCERTAINTIES

The Board identifies, evaluates, monitors and manages risk.

Some of the significant strategic risks relate to:

- a sustained future reduction in licence income
- fragmentation of the current licensing partnerships
- policy developments extending the copyright exceptions regime which fail to recognise writers' right to remuneration.

The Directors at all times seek to minimise these threats through our active advocacy programme in the UK, Europe and globally, and through the support of the Copyright Licensing Agency, International Authors Forum and other pro-copyright organisations.

### FINANCIAL RISKS

The Company undertakes regular reviews of its financial policies. The major risks are:

- a fall in interest rates and dividends
- a sustained decline in equity and bond values
- fluctuations in the sterling exchange rate.

Wherever possible the Board takes action to mitigate any risk. Company policies are regularly reviewed by the Board (or its relevant sub-committee) and updated where appropriate. Our investments are diversified to minimise risk and volatility whilst maximising gains. We do not hedge foreign currency, but convert it at the prevailing rate on receipt.

## **STRATEGIC REPORT (cont.)**

### **THE COPYRIGHT REFORM AGENDA**

During this year and alongside partner organisations, ALCS has continued to make strong representations to the UK Government and the World Intellectual Property Organization (WIPO) 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 financial 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 mainland Europe. We hope this study will, in time, see this important authors' right established far more widely across the world.

### **FINANCIAL AND BUSINESS REVIEW**

#### **LICENCE INCOME**

This year, we collected our highest ever amount £43,436,135 (2022: £39,560,067), an increase of 9.8%.

#### **DISTRIBUTION**

The distribution paid to members and overseas societies was a record £44,833,367 (2022: £41,015,770), an increase of 9.3%. Details of the ALCS distribution policy can be found on the company's website ([www.alcs.co.uk](http://www.alcs.co.uk)).

#### **INVESTMENTS**

Our diversified investment strategy continued with a mixture of equities, bonds, a diversified growth fund, a multi asset credit fund and a Socially Responsible Investment (SRI) Fund. The purpose of all of these investments is to both protect the assets of the society and provide an income which helps defray expenses. The market value of the portfolio before deferred taxation at March 31 2023 exceeded historic cost by £2,102,354 (on March 31 2022 the unrealised gain was £5,292,875).

During the financial year the whole portfolio generated £987,518 of interest, dividends and distributions (2022: £892,335), including net realised trading losses of £403,213 (2022: £14,568 trading profit). The investment strategy of the Company is determined by the Board and performance is regularly monitored by the Finance and Audit Committee.

### **RESULT FOR THE YEAR AND RESERVES**

The normal operating activities of the Company for the year (excluding fair value movements on investments and tax) generated a surplus of £685,141, which the Directors have decided will be returned to members in the form of a commission refund in the March 2024 distribution.

The Statement of Comprehensive Income shows a deficit of £567,104 (2022: deficit of £434,911) before taxation and fair value movements. This has arisen entirely due to an adjustment to realised capital gains to adopt the 'fair value' approach as stipulated in FRS 102.

## **STRATEGIC REPORT (cont.)**

Before this adjustment, the Statement of Comprehensive Income therefore showed no profit or loss before taxation and fair value movements. Current year fair value movements led to a Total Comprehensive Loss of £2,580,912. (2022: Income £175,973).

This therefore leaves the Operating Reserve at £3,417,645 at 31 March 2023.

### **SECTION 172(1) STATEMENT**

As required under the Companies (Miscellaneous Reporting) Regulations 2018, and in a manner intended to be consistent with the size and complexity of the Company's business, the following part of the Strategic Report (i) describes below how, during the reporting period, the Directors have had regard to the matters set out in section 172(1) of the Companies Act 2006 when performing their duties under that section; and (ii) summarises how the Directors have had regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the Company during the financial year.

### **RELEVANT ISSUES, FACTORS AND STAKEHOLDERS**

The Company's key stakeholders are the members and rightsholders whose rights it manages and represents, and in seeking to promote the success of the Company (including over the long-term) the Directors have particular regard to revenue retention and growth and service improvements. In so doing it is therefore also important to consider the Company's customers (i.e. its rights licensees) and employees and maintain a good business reputation. Whilst the Company makes use of certain suppliers (e.g. for technology and professional services) to support its business, it does not operate a supply chain as such. Whilst the Company also has appropriate regard to the community and environment, the nature of its business means that this is also not as directly relevant.

In terms of energy usage, the Company shared its office space for the first part of the year (until January 2023) with three other Collective Management Organisations. Invoices were shared on the basis of headcount and the Company's energy usage in the year was 56,713.46kWh (2022: 69,676.40kWh). The company is now based in WeWork offices where all energy usage is included within the rental figure.

### **METHODS OF ENGAGEMENT AND KEY EXAMPLES FROM REPORTING PERIOD**

Engagement with key stakeholders is achieved through ALCS's corporate governance framework and reporting to the Board from ALCS's executive management team (who in turn utilise a number of engagement methods). In addition, members are kept updated through our regular newsletter (ALCS news) and the website.

### **CORPORATE GOVERNANCE FRAMEWORK**

The structure and scope of ALCS' board and sub-committee framework enables engagement with a broad cross-section of members' interests. The majority of the ALCS Board are directly elected by the membership at the AGM. Other Directors with specific skills and specialities (for example, knowledge of the audiovisual market) are co-opted for a period subject to ratification by the membership at a subsequent AGM. The ALCS Board is currently supported by the following sub-committees:

- Finance and Audit Committee
- Distribution and Membership Committee
- Remuneration Committee
- Nominations Committee
- Advocacy Committee
- Oversight and Scrutiny Committee



## **STRATEGIC REPORT (cont.)**

### **EXECUTIVE MANAGEMENT REPORTING**

The ALCS Board meets formally five times throughout the year, during which matters of strategic, operational and financial importance are discussed. Board meetings are supported by a robust level of executive management reporting, in the form of both written papers and presentations at each meeting. In addition, key updates and recommendations from sub-committees are also provided where appropriate.

This executive management reporting includes details of company engagement with other key stakeholders. For example, ALCS engages with licensee interests (such as partner international collective management organisations) through our chairing of the Society of Audiovisual Authors (SAA) and membership of the International Federation of Reproduction Rights Organisations (IFFRO); all of which is then covered in reporting by the Board. Similarly, ALCS engages with employees through the day-to-day work of its dedicated Human Resource function and regular company-wide meetings (both formal and informal).

### **EXAMPLE**

The budget for 2023/24 was approved by the ALCS Board following a comprehensive review of the information and recommendations by the ALCS Finance & Audit Committee and Remunerations Committee. The Directors ensured that the budget was aligned with the broader strategic goals of the Company and also factored in key business risks and likely impact to stakeholders. One of the key considerations in the budget was to continue to distribute efficiently and quickly, to which end a major strategic systems upgrade was approved.

### **KEY PERFORMANCE INDICATORS**

The Company uses a range of performance indicators to measure its performance as below:

Licence income increased by £3,876,068 (9.8%) to £43,436,135 – our highest ever.

Gross payments to writers were also at record levels at £44.8 million, up by 9.3% this year (2022: £41 million).

After the commission refund this year, the effective commission rate was down by 0.4% to 8.3%.

Overall ALCS membership numbers increased by 4,683 to 120,147.

### **LIKELY FUTURE DEVELOPMENTS**

ALCS continues to work with key stakeholders to develop new opportunities for collecting licence income.

## STRATEGIC REPORT (cont.)

This report was approved by the Board of Directors on 14 September 2023 and signed on its behalf by:



**Tom Chatfield**  
Director  
Chair of the Board of Directors



**James McConnachie**  
Director  
Chair of the Finance and Audit Committee

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AUTHORS' LICENSING AND COLLECTING SOCIETY LIMITED

## OPINION

We have audited the Financial Statements of Authors' Licensing and Collecting Society Limited (the 'Company') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Cash Flow Statement, Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and its result for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006.

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## CONCLUSIONS RELATING TO GOING CONCERN

In auditing the Financial Statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

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

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

## OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the Financial Statements and our Auditors' Report thereon. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AUTHORS' LICENSING AND COLLECTING SOCIETY LIMITED (cont.)**

### **OTHER INFORMATION (CONT.)**

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Financial Statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **RESPONSIBILITIES OF DIRECTORS**

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AUTHORS' LICENSING AND COLLECTING SOCIETY LIMITED (cont.)**

### **AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

### **THE EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES INCLUDING FRAUD**

We obtained an understanding of the Company's activities, controls and laws and regulations and assessed the susceptibility of the Company's Financial Statements to material misstatement from irregularities, including fraud.

We determined that the laws and regulations that are most significant to the Company are those relating to the reporting framework (FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)), the Companies Act 2006 and the Collective Rights Management (CRM) Directive.

Based on this understanding we designed our audit procedures to detect irregularities, including fraud. Testing undertaken included making enquiries on the management; journal entry testing; review of bank letters; review of board minutes; review of transactions for any undisclosed related party transactions; reviewing financial statement disclosures and testing supporting documentation to assess compliance with applicable laws and regulations. These procedures were designed to provide reasonable assurance that the Financial Statements were free from fraud or error.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

### **USE OF OUR REPORT**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AUTHORS' LICENSING AND COLLECTING SOCIETY LIMITED (cont.)**



**Tim Hardy (Senior Statutory Auditor)**

For and on behalf of Shipleys LLP, Statutory Auditors  
10 Orange Street  
Haymarket  
London  
WC2H 7DQ

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2023

		<b>2023</b>	<b>Restated 2022</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Licence income</b>	2	43,436,135	39,560,067
<b>Royalties payable</b>		(39,712,521)	(36,011,825)
<b>Commission receivable</b>	3	3,723,614	3,548,242
<b>Administration expenses</b>	4	(5,450,348)	(5,020,053)
		(1,726,734)	(1,471,811)
<b>Other operating income</b>	5	172,112	144,565
<b>Operating surplus/(deficit)</b>		(1,554,622)	(1,327,246)
<b>Investment income</b>	6	987,518	892,335
<b>Surplus/(Deficit) on ordinary activities before fair value movements and taxation</b>		(567,104)	(434,911)
<b>Fair value movements on investments</b>		(2,623,417)	602,177
<b>Surplus/(Deficit) on ordinary activity before taxation</b>		(3,190,521)	167,266
<b>Tax on ordinary activities</b>	8	609,609	8,707
<b>Total comprehensive income/(deficit) for the year</b>		(2,580,912)	175,973

All amounts relate to continuing activities.

The notes on pages 17 to 31 form part of these Financial Statements.

## STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

Company Registration No: 01310636

	Notes	£	2023 £	£	2022 £
<b>Fixed assets</b>					
Intangible assets	9		265,301		227,700
Tangible assets	10		23,737		90,990
<b>Current assets</b>					
Investments	11	36,047,080		38,789,192	
Debtors	12	807,005		427,123	
Cash at bank and in hand		9,574,936		11,388,624	
		<u>46,429,021</u>		<u>50,604,939</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(41,198,059)</u>		<u>(42,261,507)</u>	
<b>Net current assets</b>			<u>5,230,962</u>		<u>8,343,432</u>
<b>Total assets less current liabilities</b>			<u>5,520,000</u>		<u>8,662,122</u>
<b>Deferred tax asset/(provision)</b>	15		<u>12,743</u>		<u>(548,467)</u>
			<u><b>5,532,743</b></u>		<u><b>8,113,655</b></u>
<b>Reserves</b>					
<b>Retained earnings</b>					
Accumulated income fund			3,417,645		3,369,246
Unrealised surplus on listed investments			2,115,098		4,744,409
			<u><b>5,532,743</b></u>		<u><b>8,113,655</b></u>

The notes on pages 17 to 31 form part of these Financial Statements.

**Approved by the Board of Directors on 14 September 2023**



**Tom Chatfield**  
Director  
Chair of the Board of Directors



**James McConnachie**  
Director  
Chair of the Finance and Audit Committee



## CASH FLOW STATEMENT

For the year ended 31 March 2023

<b>Reconciliation of total comprehensive income for the year</b>	<b>2023</b>	<b>Restated 2022</b>
	<b>£</b>	<b>£</b>
Total comprehensive (deficit)/income for the year	(2,580,912)	175,973
<b>Adjustments for:</b>		
Fair value movements on investments	2,623,417	(602,177)
Investment income	(987,518)	(892,335)
Tax on ordinary activities	(609,609)	(8,707)
Amortisation of bond premiums	20,199	20,197
Amortisation of intangible fixed assets	167,505	188,487
Depreciation of tangible fixed assets	40,656	45,965
Loss on disposal of tangible assets	37,613	–
Decrease/(Increase) in trade and other debtors	(360,007)	(33,282)
(Decrease)/Increase in royalties due to writers	(1,055,804)	(1,108,768)
(Decrease)/Increase in other creditors	(7,644)	707,640
Tax received	28,524	–
	<u>(2,683,580)</u>	<u>(1,507,007)</u>
<b>Cash flows from investing activities</b>		
Purchases of intangible assets	(205,106)	(139,148)
Purchases of tangible assets	(11,016)	(27,025)
Payment to acquire investments	(5,475,170)	(7,492,984)
Receipts from sales of investments	5,170,453	4,713,995
Money market interest	370,554	59,369
Dividends from SRI Fund	212,297	106,496
Bond interest	258,602	244,101
Dividends	289,060	259,684
Income from managed funds	260,218	208,117
<b>Net cash to investing activities</b>	<u>869,892</u>	<u>(2,067,395)</u>

## CASH FLOW STATEMENT (cont.)

For the year ended 31 March 2023

	<b>2023</b>	<b>2022</b>
	£	£
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,813,688)</b>	<b>(3,574,402)</b>
Cash and cash equivalents at beginning of year	11,388,624	14,963,026
<b>Cash and cash equivalents at end of year</b>	<b>9,574,936</b>	<b>11,388,624</b>

The notes on pages 17 to 31 form part of these Financial Statements.

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2023

### Retained earnings

Reserves	Accumulated income fund	Legal fund	Unrealised surplus on listed investments reserve	Total
	£	£	£	£
<b>Retained earnings</b>				
At 31 March 2021	2,294,246	1,075,000	4,568,436	7,937,682
(Deficit)/Surplus for the financial year	(434,911)	–	610,884	175,973
Transfer on sales of investments	434,911		(434,911)	–
Transfer of legal fund	1,075,000	(1,075,000)	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	3,369,246	–	4,744,409	8,113,655
(Deficit)/Surplus for the financial year	(518,705)	–	(2,062,207)	(2,580,912)
Transfer on sales of investments	567,104	–	(567,104)	–
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2023	3,417,645	–	2,115,098	5,532,743
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

Authors' Licensing and Collecting Society Limited is a private company limited by guarantee without share capital, registered in England and Wales, at Sixth Floor, International House, 1 St Katharine's Way, London E1W 1UN.

## Principal activities of the Company

The Company represents writers in all genres. It collects and distributes fees for rights which can only, or can most effectively, be administered through collective administration in the United Kingdom and abroad. The Company has agreements with over 57 societies in more than 40 countries. Where appropriate, ALCS also collects from UK schemes and distributes to societies in these countries on behalf of their writer members.

## 1 Accounting policies

### 1.1 Basis of accounting

The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit and loss, and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of Financial Statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see *note 1.14*).

The Financial Statements are prepared in sterling, which is the functional currency of the Company.

The Directors have reviewed the Company's position as a going concern. They consider future cash flows to be sufficient to maintain the Company and meet all liabilities and obligations for a period of at least 12 months from approval of the accounts.

### 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 value added tax and other sales taxes.

Licence income shows the amount of royalties received during the year, under ALCS licensing agreements. Commission is recognised on the distribution of royalties to members. Income is the amount derived from ordinary activities, stated net of VAT.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

### 1.3 Intangible fixed assets

Intangible assets are initially recorded at cost and are subsequently stated at cost less any accumulated amortisation and impairment losses.

Amortisation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

#### **Computer software**

General software – 3 years

Main IT system – 8 years

### 1.4 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 charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

#### **Fixtures and fittings, office equipment**

5–10 years

#### **Computer equipment**

3–5 years

### 1.5 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

### 1.6 Valuation of investments

Investments in listed equity investments and fixed-term securities are remeasured to fair value (being its market value) at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

Where a premium is paid for a fixed-term security, over the redemption value, the amount is amortised over the period to redemption or the period to the call date, if that is earlier.

The profit or loss on disposals of investments constitutes the difference between the proceeds received from the sale of listed investments and the accumulated cost and revaluation to the preceding reporting date. Any such profit or loss in the year is recorded as investment income within the operating surplus or as fair value movements on investments if previously recognised.

Investments in debt instruments are measured at amortised cost using the effective interest method.

### 1.7 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.

### 1.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### 1.9 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

### 1.10 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and, subsequently, at amortised cost.

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 income statement. 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 reporting date. Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

### 1.11 Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange gains and losses are recognised in the Income and Expenditure Account.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

### 1.12 Pension scheme

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 income statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

### 1.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, 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 reporting date in the countries where the Company operates and generates income.

Deferred balances are recognised, in respect of all timing differences that have originated, but not reversed by the Statement of Financial Position date, except that:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profit
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### 1.14 Judgements in applying accounting policies and key sources of estimation uncertainty

The Directors consider depreciation to be an expense based on a source of estimation uncertainty. Depreciation is based on estimates of useful lives based on historical experience of the time assets retained and utilised by the Company.

The Directors consider that realised investment gains or losses should be presented within investment income rather than within fair value movements on investments in order to properly reflect the Company's performance (see *note 1.6 above*) in respect of accumulated reserves and operating surpluses refundable to members.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

### 2 Income: Analysis of licence income

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Analysed geographically</b>		
UK	30,698,441	29,915,268
Rest of Europe	12,373,741	9,595,623
North America	37,931	18,056
South America	8,843	4,933
Asia	129,523	-
Oceania	187,656	26,187
	<u>43,436,135</u>	<u>39,560,067</u>

In the year £4,042,747 (2022: £3,298,992) was received from UK sources which originated outside the UK.

#### Analysed by licence

Copyright Licensing Agency Ltd	27,553,155	26,679,304
Publishers' Licensing Services Ltd	734,029	775,679
BBC Studios Distribution	622,135	559,986
Educational Recording Agency Ltd	1,760,000	1,705,000
Other international bilateral agreements	12,766,816	9,840,098
	<u>43,436,135</u>	<u>39,560,067</u>

#### Analysed by right and use

Reprographic	28,403,097	27,208,122
Retransmission	6,702,618	6,278,145
Private copying	2,083,159	1,825,326
Educational Audiovisual	1,862,937	1,777,396
Lending	839,220	750,484
Other Literary	9,080	159,938
Other Audiovisual	3,200,744	1,256,749
Visual Arts	335,280	303,907
	<u>43,436,135</u>	<u>39,560,067</u>

### 3 Commission receivable

Receivable from commission on members' royalty income	4,408,755	3,895,021
Commission refund	(685,141)	(346,779)
Total commission receivable	<u>3,723,614</u>	<u>3,548,242</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

The normal operating activities of the Company generated a surplus of £685,141 for the year which the Directors have decided will be returned to the members in the form of a commission refund in the March 2024 distribution.

<b>4 Administration expenses</b>	<b>2023</b>	<b>Restated 2022</b>
	<b>£</b>	<b>£</b>
Staff costs – see note 7	2,687,664	2,404,306
Chief Executive Officer's remuneration – see note 7	287,501	254,354
Non-Executive Directors' remuneration – see note 7	136,784	121,140
Rent and services (including dilapidations provision)	381,496	275,680
Travel and meetings	50,766	19,109
Publishing and communications	278,270	381,952
Donations to charities and other organisations	175,650	225,500
Computer facilities and services	632,725	513,542
Subscriptions, insurance and other administrative costs	70,194	79,745
Legal, audit and other professional costs	328,577	300,119
Investment costs	212,560	210,154
Amortisation of intangible fixed assets	167,505	188,487
Depreciation of tangible assets	40,656	45,965
	<u>5,450,348</u>	<u>5,020,053</u>

Included within administrative expenses are the following:

Auditors' remuneration for audit work	13,975	13,500
Auditors' remuneration for non-audit work	8,395	8,182

<b>5 Other operating income</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Members' subscriptions	118,812	103,315
Writers' Digital Payments (WDP) fees	45,000	30,000
Sundry income	8,300	11,250
	<u>172,112</u>	<u>144,565</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

<b>6</b>	<b>Investment income</b>	<b>2023</b>	<b>Restated 2022</b>
		<b>£</b>	<b>£</b>
	Money market interest	370,554	59,369
	Bond interest	258,602	244,101
	Dividends	289,060	259,684
	Dividends from SRI Fund	212,297	106,496
	Income from managed funds	260,218	208,117
	Net surplus/(deficit) on sale of investments	(403,213)	14,568
		<u>987,518</u>	<u>892,335</u>
<b>7</b>	<b>Directors and employees</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	<b>a) Staff costs</b>		
	Wages and salaries	1,891,946	1,716,241
	Social security costs	296,726	238,992
	Pension costs	246,645	230,296
	Other staff costs	252,347	218,777
		<u>2,687,664</u>	<u>2,404,306</u>

Pension contributions of £Nil (2022: £Nil) were outstanding at 31 March 2023.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

<b>b) Directors' remuneration</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<i>Chief Executive Officer:</i>		
Emoluments	263,856	252,803
Pension costs	21,726	–
	<u>285,582</u>	<u>252,803</u>
Benefits (included within 'Other staff costs' – see note 7a)	1,919	1,551
	<u>287,501</u>	<u>254,354</u>

NB Current year includes overlapping period in October during CEO handover.

<i>Non-Executive Directors:</i>		
Tony Bradman (Chair to December 2022)	32,768	41,454
Jo Revill (Chair from January 2023)	10,100	–
Faye Bird (to February 2023)	11,247	10,178
Helen Blakeman	14,253	3,532
Tom Chatfield	10,633	10,088
Maggie Gee (from November 2022)	3,577	6,726
Joanne Harris	10,846	10,088
James McConnachie	10,830	10,164
Okechukwu Nzelu	11,267	8,685
Diane Redmond	12,674	10,137
Joan Smith (to November 2022)	8,589	10,088
	<u>136,784</u>	<u>121,140</u>

Remuneration fluctuates as some expenses are claimed through payroll.

No non-executive director received a pension contribution in the year (2022: £Nil).

<b>c) The average monthly number of employees during the year was as follows:</b>	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
Chief Executive's Office and Policy Unit	3	3
Membership and Communications	17	17
Distribution	11	11
Other administration	9	7
	<u>40</u>	<u>38</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

8	Taxation	2023 £	2022 £
	<b>a) The tax charge/(credit) in the year was as follows:</b>		
	Total current tax	(48,399)	–
	<b>Deferred tax</b>		
	Capital gains and losses	(561,210)	(8,707)
	Tax on ordinary activities	<u>(609,609)</u>	<u>(8,707)</u>
	<b>b) Tax credit reconciliation</b>		
	<b>Surplus/(Deficit) on ordinary activities before tax</b>	<u>(3,190,521)</u>	<u>167,266</u>
	Surplus/(deficit) before tax multiplied by the CT rate of 19% (2022: 19%)	(606,199)	31,781
	<b>Effects of:</b>		
	Expenses not deductible for tax purposes	6,118	8,956
	Exempt dividend income	(22,822)	(58,047)
	Other timing differences	31,362	(6,575)
	Super deduction	(12,319)	(9,472)
	Adjustment in respect of prior periods	(37,842)	24,650
	Chargeable gains	32,093	–
	<b>Tax credit for year</b>	<u>(609,609)</u>	<u>(8,707)</u>
9	<b>Intangible assets</b>	<b>Computer software £</b>	<b>Total £</b>
	<b>Cost</b>		
	At 1 April 2022	1,573,133	1,573,133
	Additions	205,106	205,106
	Disposals	(117,382)	(117,382)
	At 31 March 2023	<u>1,660,857</u>	<u>1,660,857</u>
	<b>Amortisation</b>		
	At 1 April 2022	1,345,433	1,345,433
	Charge for the year	167,505	167,505
	Disposals	(117,382)	(117,382)
	At 31 March 2023	<u>1,395,556</u>	<u>1,395,556</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

9	Intangible assets (cont.)	Computer software		Total
		£		£
	<b>Net book value</b>			
	At 31 March 2023	265,301		265,301
	At 31 March 2022	227,700		227,700
10	Tangible assets	Fixtures and fittings	Computer and office equipment	Total
		£	£	£
	<b>Cost</b>			
	At 1 April 2022	169,096	265,580	434,676
	Additions	-	11,016	11,016
	Disposals	(169,096)	(188,788)	(357,884)
	At 31 March 2023	-	87,808	87,808
	<b>Depreciation</b>			
	At 1 April 2022	109,129	234,557	343,686
	Charge for the year	22,354	18,302	40,656
	Disposals	(131,483)	(188,788)	(320,271)
	At 31 March 2023	-	64,071	64,071
	<b>Net book value</b>			
	At 31 March 2023	-	23,737	23,737
	At 31 March 2022	59,967	31,023	90,990

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

11	Investments	Cost £	Unrealised gain/(loss) £	Total at fair value £
	<b>Bonds</b>			
	At 1 April 2022	7,515,984	(383,739)	7,132,245
	Amortisation of bond premiums	(20,199)	–	(20,199)
	Additions	2,009,317	–	2,009,317
	Disposals	(2,000,656)	92,939	(1,907,717)
	Current year valuation gain/(loss)	–	(467,481)	(467,481)
	At 31 March 2023	<u>7,504,446</u>	<u>(758,281)</u>	<u>6,746,165</u>
	<b>Equities</b>			
	At 1 April 2022	8,454,837	3,716,378	12,171,215
	Additions	2,015,118	–	2,015,118
	Disposals	(1,488,874)	(661,986)	(2,150,860)
	Current year valuation gain/(loss)	–	(855,734)	(855,734)
	At 31 March 2023	<u>8,981,081</u>	<u>2,198,658</u>	<u>11,179,739</u>
	<b>SRI Fund</b>			
	At 1 April 2022	7,522,555	110,947	7,633,502
	Additions	1,450,735	–	1,450,735
	Disposals	(1,517,032)	1,943	(1,515,089)
	Current year valuation gain/(loss)	–	(794,768)	(794,768)
	At 31 March 2023	<u>7,456,258</u>	<u>(681,878)</u>	<u>6,774,380</u>
	<b>Other listed investments</b>			
	At 1 April 2022	10,002,941	1,849,289	11,852,230
	Current year valuation gain/(loss)	–	(505,434)	(505,434)
	At 31 March 2023	<u>10,002,941</u>	<u>1,343,855</u>	<u>11,346,796</u>
	<b>Net totals value</b>			
	At 31 March 2023	<u>33,944,726</u>	<u>2,102,354</u>	<u>36,047,080</u>
	At 31 March 2022	<u>33,496,317</u>	<u>5,292,875</u>	<u>38,789,192</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

<b>12 Debtors</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade and sundry debtors	21,803	4,338
Other debtors	20,231	5
Prepayments and accrued income	764,971	422,780
	<u>807,005</u>	<u>427,123</u>

There was no bad debt expense recognised during the year (2022: £Nil).

<b>13 Creditors: Amounts falling due within one year</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade creditors	301,217	374,350
Other taxes and social security	679,855	667,291
Royalties due to writers – see note 14	39,362,508	40,418,312
Accruals and other creditors	854,479	801,554
	<u>41,198,059</u>	<u>42,261,507</u>

<b>14 Royalties due to writers</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>a) Included in creditors</b>		
Amounts falling due within one year	39,362,508	40,418,312
<b>b) Age of royalties included in creditors in year to 31 March:</b>		
Licence income undistributed at end of current year	16,682,575	14,840,410
Licence income undistributed for more than 1 year	8,592,852	7,725,432
Licence income undistributed for more than 2 years	5,036,749	5,068,006
Licence income undistributed for more than 3 years	2,079,222	3,400,270
Licence income undistributed for more than 4 years	1,132,322	2,421,721
Licence income undistributed over 5 years	5,838,788	6,962,473
	<u>39,362,508</u>	<u>40,418,312</u>

The 'Age of royalties' shows the amount of each year's income which has yet to be distributed to the writers.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

<b>15 Deferred taxation</b>	<b>Total</b>
	<b>£</b>
Provision at 1 April 2022	548,467
Charged to income statement	(561,210)
Asset at 31 March 2023	<u>(12,743)</u>

The deferred tax provision consists entirely of chargeable gains.

<b>16 Financial instruments</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Financial assets measured at fair value through the profits and losses	<u>36,047,080</u>	<u>38,789,192</u>

Financial assets measured at fair value comprise listed equities and investment funds, the SRI Fund and investments in fixed income securities.

### 17 Reserves

Retained earnings includes all current and prior period retained realised profits and losses. Unrealised surplus on listed investments reserve comprises the unrealised gain or loss on our investments and is a part of retained earnings.

### 18 Related party transactions

During the year, the following Directors of ALCS were also Directors of the Copyright Licensing Agency Ltd (CLA), a company in which ALCS has an investment. Remuneration paid by CLA to these Directors is also reported in the accounts of CLA.

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Tony Bradman (to November 2022)	15,000	15,425
Tom Chatfield	10,815	10,300
Faye Bird (to February 2023)	10,815	10,300
Jo Revill (from January 2023)	5,625	-
	<u>42,255</u>	<u>36,025</u>

Licence income received from CLA during the year was £27,553,155 (2022: £26,679,304).

<b>Key Management personnel remuneration</b>	<b>£</b>	<b>£</b>
	<u>618,390</u>	<u>626,765</u>

(for those who have an executive influence on the Company but are not statutory Directors)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

### 19 Controlling party

The Board of Directors considers that there is no ultimate controlling party.

### 20 Capital Commitments

2023	2022
£	£

At 31 March 2023 the Company had Capital Commitments as follows:

Costs contracted but not provided in the Financial Statements	1,771,000	–
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### 21 Operating lease commitments

The Company had entered into a Licence to share costs for the offices at Shackleton House with the Copyright Licensing Agency, Publishers' Licensing Services and the Educational Recording Agency, which terminated at the end of the short-term lease in January 2023. The share was based on headcount numbers. In the current year the shared premises costs (Rent, Rates and Service Charge) amounted to £318,475 (2022: £217,541).

The Company is now in WeWork offices on a three-year agreement from September 2022. The total future minimum lease payment under non-cancellable operating leases are as follows:

	2023	2022
	£	£
Not later than one year	259,144	–
Later than one year and not later than five years	392,560	–
	<u>651,704</u>	<u>–</u>

### 22 Analysis of changes in net debt

	At 1 April 2022	Cash flows	At 31 March 2023
	£	£	£
Cash and cash equivalents	11,388,624	(1,813,688)	9,574,936