



ANNUAL TRANSPARENCY REPORT (FINANCIAL YEAR 2024/25) 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 2024/25 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)
- Creators' Rights Alliance (CRA)
- 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 second-highest ever amount: £45,234,921 (2024: £45,609,278), a decrease of 0.8% on last year. The distribution paid to Members and overseas societies was £47,488,750 (2024: £44,700,785), an increase of 6.2% and the highest ever amount we have distributed. 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 numbers increased by 4,951 to 128,374.

### **ADVOCACY AND CAMPAIGNING**

During this period the key issue for ALCS has been UK and international policy around artificial intelligence (AI) and copyright. ALCS engaged with the Government consultation on this issue, responding directly and supporting members in submitting their own responses. We have taken part in a wide range of activities, including meetings with the secretaries of state for the Department of Science, Innovation and Technology (DSIT) and the Department of Culture, Media and Sport (DCMS), as well as with the ministers for culture and intellectual property. We have also initiated engagements with parliamentarians, including through the All Party Writers Group. Through these meetings, we articulated the concerns raised by members in our AI survey which received over 13,500 responses. This has fed through to activities including the campaign to introduce legal transparency regulations for AI developers, most prominently in the debate around the Data (Use and Access) Bill. We will continue to advocate for authors' rights while making use of our expertise and networks to pioneer solutions for remuneration from AI-related exploitation of creative works.

With the National Union of Journalists (NUJ), the Design & Artists Copyright Society (DACS) and the Picture Industry Collecting Society for Effective Licensing (PICSEL), we launched SCOOP, a project aimed at ensuring fair remuneration for freelance journalists; we also continued to support and advocate for the Smart Fund initiative. Our calls for a Freelancer Commissioner were answered in the Government's Creative Industries Sector Plan. Details about this work can be found on the Write Share website.

On the global stage we continue to support the International Authors Forum which is pressing the case for authors' rights at the World Intellectual Property Organization and is also engaged in the policy discussions around the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions.

### **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 £192,295 (2024: £153,975) were made to organisations which have a close affinity to writers. Included in this figure is a special donation agreed by the ALCS Board to the Society of Authors' Contingency Fund.

The awards, festivals, events and initiatives we have funded and supported this year include:

- The Branford Boase Award
- Writing West Midlands National Writers' Conference
- Writing West Midlands Young Writers' Conference
- National Centre for Writing Escalator New Writing Fellowships
- Crime Writers' Association (CWA) CWA ALCS Gold Dagger for Non-Fiction
- Spread the Word Disabled Poets Prize
- Society of Authors (SoA) The SoA Awards:
  - o ALCS Tom-Gallon Trust Award
  - o ADCI Literary Prize
- International Radio Drama Festival
- Writing East Midlands Mentoring Scheme
- Writers' Guild of Great Britain Tinniswood Award
- Royal Society of Literature (RSL) V.S. Pritchett Short Story Prize
- Comedy Women in Print
- Creators' Rights Alliance
- English PEN International Translation Day
- Film the House
- Forward Arts Foundation National Poetry Day
- National Literacy Trust (NLT) Ruth Rendell Award

- SoA ALCS Educational Writers' Award
- Centre for Literacy in Primary Education CLiPPA Poetry Award
- Chartered Institute of Library and Information Professionals Carnegie Awards
- NLT Reading Champions
- Arvon Foundation Grants/residentials for disadvantaged writers
- Inklusion Review of *Inklusion Guide* and the Inklusion Hive Summit
- Comic Boom The Comics in Education Podcast
- Uppity A Point of Blackness, a monthly event for black writers
- New Writing North Northern Writers' Awards, roadshows and mentoring
- RSL Disabled writers' mentoring initiative
- School Libraries Association Information Book Award
- The Asian Writer The Asian Writer Editorial Fellowship Scheme
- The Children's Media Foundation Events programme and *The Children's Media Yearbook 2024*

## 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:

Barbara Hayes (Chief Executive Officer, Director)	Total remuneration £248,191 Emoluments £187,863 Other benefits £60,328	
Helen Blakeman (Director until November 2024)	Fees received as an ALCS Director: £7,918	Revenue received as an ALCS member: £100-£1,000
Tom Chatfield (Director and Chair until March 2025)	Fees received as an ALCS Director: £27,734	Revenue received as an ALCS member: £1,000–£5,000
Rachael Davis-Featherstone (Director from November 2024)	Fees received as an ALCS Director: £3,780	Revenue received as an ALCS member: £100-£1,000
Chun Kit Fan (Director and Deputy Chair from October 2024)	Fees received as an ALCS Director: £18,814	Revenue received as an ALCS member: £100-£1,000
Maggie Gee (Director)	Fees received as an ALCS Director: £11,397	Revenue received as an ALCS member: £100-£1,000
Joanne Harris (Director until November 2024)	Fees received as an ALCS Director: £7,680	Revenue received as an ALCS member: £100-£1,000
James McConnachie (Director)	Fees received as an ALCS Director: £11,345	Revenue received as an ALCS member: £100-£1,000
Okey Nzelu (Director)	Fees received as an ALCS Director: £11,971	Revenue received as an ALCS member: £100-£1,000
Katharine Quarmby (Director from November 2024)	Fees received as an ALCS Director: £3,686	Revenue received as an ALCS member: £100-£1,000
Diane Redmond (Director until November 2024)	Fees received as an ALCS Director: £7,489	Revenue received as an ALCS member: £1,000-£5,000
Edwin Thomas (Director)	Fees received as an ALCS Director: £13,889	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 <u>website</u>, 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 10% 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 £1,880,896 to Members. As a result, the actual commission rate charged to Members during this period was 6%.

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 overall rates for the additional commission applied by our UK licensing agencies CLA and ERA during this period were 11.6% and 3.1% 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	£3,815	Lending, Other Literary & Reprographic
Infomedia	£58,124.90	Other Audiovisual, Private Copying & Retransmission
Ericsson Media Services	£749.33	Educational Recording, Other Audiovisual, Private Copying & Retransmission
IDA	£40,000	Educational Recording, Other Audiovisual, Private Copying & Retransmission
IPI	£5,000	Educational Recording, Other Audiovisual, Private Copying & Retransmission

ALCS makes two main distributions each year in March and September. Note 14 to the <u>Financial Statements</u> 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 £113,000 of aggregated 'non-distributable' payments which, in accordance with the ALCS <u>Distribution Rules</u>, 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 rightsholders but, in the case of small, individual sums, the cost of locating the rightsholders 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 rightsholders 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 2024/25

The following table sets out the rights revenue collected during this financial period broken down by categories of rights 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 (all amounts are in pound sterling).

Rights and use	Income received	Income allocated	Income unallocated	Income distributed	Income undistributed	Distributed to other CMOs	Administrative expenses**
Educational Audiovisual	2,057,476.41	1,489,977.54	567,498.87	1,347,937.88	709,538.53	132,050.03	266,035.95
Lending	680,471.78	678,815	1,656.78	623,311.98	57,159.80	97,862.61	123,020.06
Other Audiovisual	3,497,038.26	3,430,747	66,291.26	3,382,436.89	114,601.37	330,587.72	667,575.14
Other Literary	122,590.19	101,313.52	21,276.67	97,409.17	25,181.02	22,982.28	19,225.17

Visual Arts*** <b>Total</b>	365,626.47 <b>45,234,920.98</b>	0 <b>38,165,757.32</b>	365,626.47 <b>7,069,163.66</b>	0 <b>28,585,051.48</b>	365,626.47 <b>16,649,869.50</b>	0 <b>3,841,801.67</b>	0 <b>5,641,692.77</b>
Retransmission	4,936,598.52	4,904,839.46	31,759.06	4,691,409.28	245,189.24	437,986.33	925,920.66
Reprographic – Public administration	1,222,069.88	1,177,454.01	44,615.87	280,919.41	941,150.47	40,556.24	55,443.70
Reprographic – OS	2,113,340.04	1,910,856.19	202,483.85	1,278,977.95	834,362.09	270,264.90	252,425.67
Reprographic – Miscellaneous	6,704,894.34	1,680,544.64	5,024,349.70	1,588,235.60	5,116,658.74	18,770.92	313,462.35
Reprographic – EU	2,250,304.26	2,167,556.37	82,747.89	1,771,539.75	478,764.51	181,751.70	349,640.20
Reprographic – Education	15,385,646.73	15,385,646.73	0	11,264,684.27	4,120,962.46	2,062,101.68	2,223,256.02
Reprographic – Business	4,075,643.65	3,446,163.09	629,480.56	505,735.97	3,569,907.68	140,232.36	99,814.65
Private Copying	1,823,220.45	1,791,843.77	31,376.68	1,752,453.33	70,767.12	106,654.90	345,873.20

<sup>\*</sup>Accumulated income from minor sources are collected pursuant to domestic and EU licensing agreements.

The total sum distributed during this year of £47,488,750 as reported in the Annual Report and Financial Statements includes £15,061,898 in respect of payments received in previous financial years.

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

<sup>\*\*\*</sup>Following a change to the payments scheduling, the Visual Arts fees distributed during the year were received in the 2023/24 financial year and as such are not reported here. The Visual Arts fees set out in the above table will be distributed in September 2025.

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	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	Private Copying
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, 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		
SOFIA	France	Lending		
SSA	Switzerland	Retransmission, Private Copying, Educational Audiovisual, Other Audiovisual		
STICHTING LIRA	Netherlands	Retransmission, Private Copying, Lending		
SUISSIMAGE	Switzerland	Retransmission, Private Copying, Educational Audiovisual		
VG WORT	Germany	Retransmission, Private Copying, Other Audiovisual, Lending, Reprographic		
WGAW	USA	Retransmission		
WGJ	Japan	Retransmission, Educational Audiovisual		
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 (all amounts are in pound sterling):

Rights and use	Income received
Educational Audiovisual	111,851.41
Lending	680,471.78
Other Audiovisual	3,497,038.26
Other Literary	122,590.19
Private Copying	1,823,220.45
Reprographic	132,736.43
Retransmission	4,245,568.91

### **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 £76,000.

#### 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 2025. 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 2025.

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. Moore Kingston Smith 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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