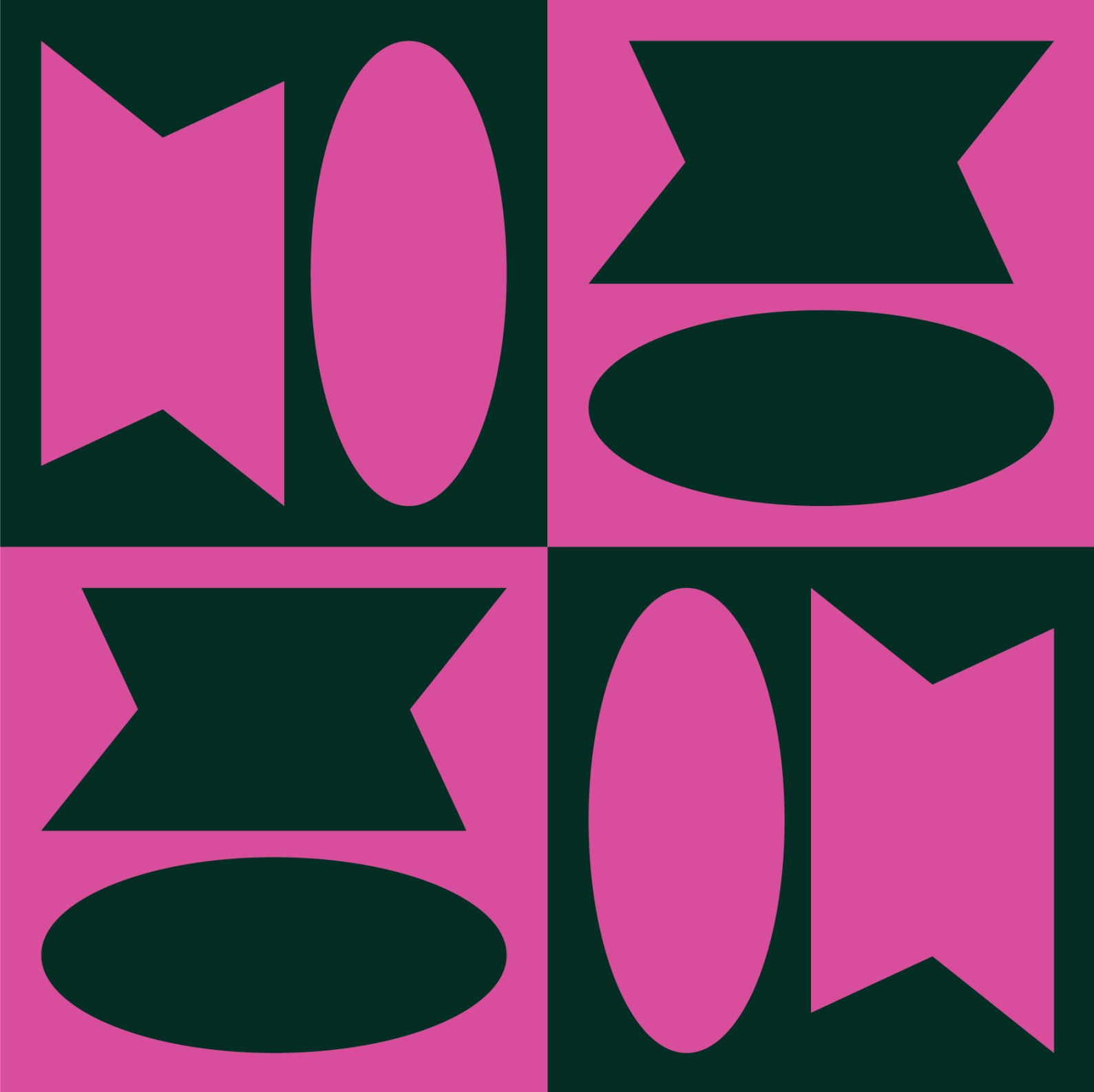




*Directors' Report, Strategic
Report and Financial
Statements for the year ended
31 March 2026*

**AL
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Authors' Licensing and Collecting Society Limited

6th Floor, International House
1, St. Katharine's Way
London E1W 1UN

Tel: 020 7264 5700
Email: alcs@alcs.co.uk
www.alcs.co.uk

Lifetime President

Maureen Duffy (1933-2026)

Chair

Lord Tim Clement-Jones

Directors

Lord Tim Clement-Jones (Chair)
Barbara Hayes (Chief Executive Officer)
Rachael Davis-Featherstone
Chun Kit Fan (Deputy Chair)
Melissa Franks (appointed November 2025)
Maggie Gee (to November 2025)
Timandra Harkness (appointed November 2025)
James McConnachie (to November 2025)
Okey Nzelu
Katharine Quarmby
Edwin Thomas

Company Secretary

Richard Combes

Company Number

01310636

Company Status

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

Registered Office

6th Floor, International House
1, St. Katharine's Way
London E1W 1UN

Auditors

Barnes Roffe
Leytonstone House
Leytonstone
London
E11 1GA

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 2026.

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

Lord Tim Clement-Jones served as Chair of the Board throughout the year.

Directors' Report (continued)

Directors

The Directors who served during the year were: Rachael Davis-Featherstone, Chun Kit Fan, Melissa Franks (from November 2025), Maggie Gee (to November 2025), Timandra Harkness (from November 2025), Barbara Hayes, James McConnachie (to November 2025), Okey Nzelu, Katharine Quarmby and Edwin Thomas.

Finance and Audit Committee Members

The following Directors were members of the Finance and Audit Committee during the year: Edwin Thomas (Committee Chair), James McConnachie (to November 2025), Rachael Davis-Featherstone, Chun Kit Fan, Barbara Hayes and Katharine Quarmby (from January 2026). Additionally, Deborah Rees (as an external independent adviser to November 2025), Mark Bispham (Chief Financial Officer) and Helen Walton (Head of Finance) were members of the Committee.

Administration and Personnel

At the end of the financial year the number of staff working for ALCS was 42 (2025: 42). Richard Combes served as Company Secretary for the year.

Charitable Donations

Charitable Donations of £165,597 (2025: £192,295) were made to organisations which have a close affinity to writers – including the National Literacy Trust, 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:

1. there is no relevant audit information of which the Company's auditors are unaware; and
2. 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.

Directors' Report (continued)

Auditors

ALCS governance rules required a change of Auditors after 6 years at the end of 2024/25. Moore Kingston Smith LLP therefore stood down and Barnes Roffe were appointed and approved at the AGM in November 2025.

On behalf of the Board of Directors on 10 September 2026:



Lord Tim Clement-Jones

Chair of the Board of Directors
Director



Edwin Thomas

Chair of the Finance and Audit Committee
Director

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 60 societies in more than 43 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 increased (unremunerated) use of Artificial Intelligence.

The Directors at all times seek to minimise these threats through our active advocacy programme in the UK, Europe and globally and 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; and
- 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.

Advocacy work

Over the last year the key issue for ALCS has been UK policy around Artificial Intelligence and copyright, and we've engaged with the Secretaries of State for DSIT and DCMS, civil servants and parliamentarians, including through the All-Party Writers Group, alongside joint advocacy initiatives through our industry networks. We were pleased to see the Government resile from its previously favoured option to weaken copyright law in favour of AI companies and welcomed its statements around the need to find solutions that respected the rights of individual creators. The Government has now recognised an important role for licensing in the AI context, and we continue to keep officials informed of our work in this area.

Strategic Report (continued)

Advocacy work (continued)

Following a long and strenuous campaign we were pleased to see the Government agree to the appointment of a Freelancer Champion. ALCS income surveys over many years have shown the precarious nature of writing careers and we will work closely with the Freelancer Champion to ensure our members' views and needs are clearly articulated to the Government.

We continue to work with colleagues at the NUJ under the banner of SCOOP, an initiative aimed at ensuring freelance journalists are fairly paid for online uses of their works, including by AI systems, a challenge clearly demonstrated by the results of the NUJ survey shared at the winter reception of the All-Party Writers Group.

To support the revenues collected for our scriptwriter members across Europe we continue to take a leading role at the Society of Audiovisual Authors, advocating for fair terms for the use of audiovisual works. On the wider international stage, we continue to support the work of the International Authors Forum which facilitates global discussion around the issues facing writers and advocates for their rights at bodies such as the World Intellectual Property Organisation and UNESCO.

Financial & Business Review

Licence income

This year, we collected our highest ever amount £47,596,456 (2025 £45,234,921), an increase of 5.2%.

Distribution

The distribution paid to Members and overseas societies was £45,777,136 (2025 £47,488,750), a decrease of 3.6%, but still the second highest amount we have distributed. This may be lower than the total amount collected, as it is not always possible to distribute the licence income collected in any one year in the same year. Details of the ALCS distribution policy can be found on the company's website (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 2026 exceeded historic cost by £3,640,189 (on March 31 2025 the unrealised gain was £1,962,482).

Strategic Report (continued)

Financial & Business Review (continued)

During the financial year the whole portfolio generated £2,007,536 of interest, dividends and distributions (2025: £1,951,158), including net realised trading profit of £220,948 (2025: trading loss of £112,923). 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 £443,614, which the Directors have decided will be returned to members in the form of a commission refund in the March 2027 distribution.

The Statement of Comprehensive Income shows a surplus of £278,909 (2025: deficit of £729,554) 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.

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 lead to a Total Comprehensive Surplus of £1,287,481 (2025: deficit of £588,668).

This therefore leaves the Operating Reserve at £3,435,271 at 31 March 2026.

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.

Strategic Report (continued)

Financial & Business Review (continued)

The company is based in We Work offices where all the energy usage is included within the rental figure.

The Company monitors its carbon footprint using the Creative Climate Tools carbon calculator. The majority of emissions are caused by essential business travel and other business costs. A payment of £20,000 to offset the identified unavoidable emissions was made to MyClimate supporting a project for clean drinking water in schools in Uganda.

Methods of engagement and key examples from the 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's 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 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
- People and Remuneration Committee
- Nominations and Governance Committee
- Oversight and Scrutiny Committee

Executive Management Reporting

The ALCS Board meets formally four 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 both of 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 board reporting. Similarly, ALCS engages with employees through the day-to-day work of its dedicated Human Resource function and regular companywide meetings (both formal and informal).

Strategic Report (continued)

Financial & Business Review (continued)

The budget for 2026-2027 was approved by the ALCS Board following a comprehensive review of the information and recommendations by the ALCS Finance & Audit and People & Remuneration Committees. 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 continued further funding for the 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 £2,361,535 (5.2%) to £47,596,456, which was a new record amount.
- Gross payments to writers were our second highest ever at £45.8 million.
- Overall ALCS membership numbers increased by 2,154 to 130,528.

Likely future developments

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

This report was approved by the Board of Directors on 10 September 2026 and signed on its behalf by:



Lord Tim Clement-Jones

Chair of the Board of Directors
Director



Edwin Thomas

Chair of the Finance and Audit Committee
Director

Independent Auditor's Report To The Members of Authors' Licensing and Collecting Society Limited

Opinion

We have audited the financial statements of Authors' Licensing and Collecting Society Ltd (the 'Company') for the year ended 31 March 2026, which comprise the Statement of income and retained earnings, the Balance sheet, the Cash flow statement, the 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 2026 and of its profit for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 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.

Independent Auditor's Report To The Members of Authors' Licensing and Collecting Society Limited (continued)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion 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; and
- the Strategic report and the Director's 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 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 to you if, in our opinion:

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

Independent Auditor's Report To The Members of Authors' Licensing and Collecting Society Limited (continued)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 3, 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.

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows;

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the relevant sector;
- We focused on specific laws and regulations, which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, CMO legislation and ISO standards;
- We assessed the extent of compliance with laws and regulations identified above through making enquires of management and inspecting legal correspondence and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

Independent Auditor's Report To The Members of Authors' Licensing and Collecting Society Limited (continued)

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquires of management as to where they considered there was susceptibility to fraud, their actual suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

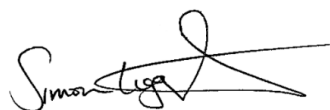
- Performed analytical procedures to identify unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates were potential bias; and
- Investigated the rationale behind significant or unusual transactions

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. 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.



Simon Liggins (Senior statutory auditor)

for and on behalf of

Barnes Roffe Audit Limited

Chartered Accountants

Statutory Auditor

Leytonstone House

3 Hanbury Drive

London

E11 1GA

12 10 2026

Statement of Comprehensive Income

For the year ended 31 March 2026

	Notes	2026 £	2025 £
Licence income	2	47,596,456	45,234,921
Royalties payable		(43,469,521)	(42,378,294)
Commission receivable	3	4,126,935	2,856,627
Administration expenses	4	(6,000,139)	(5,749,382)
		(1,873,204)	(2,892,755)
Other operating income	5	144,577	212,043
Operating deficit		(1,728,627)	(2,680,712)
Investment income	6	2,007,536	1,951,158
Surplus/(Deficit) on ordinary activities before fair value movements and taxation		278,909	(729,554)
Fair value movements on investments		1,398,798	82,472
Surplus/(Deficit) on ordinary activity before taxation		1,677,707	(647,082)
Tax on ordinary activities	8	(390,226)	58,414
Total Comprehensive income/(deficit) for the year		1,287,481	(588,668)

All amounts relate to continuing activities.

The notes on pages 19 to 32 form part of these financial statements.

Statement of Financial Position

As at 31 March 2026

Company Registration No: 01310636

	Notes	£	2026 £	£	2025 £
Fixed Assets					
Intangible assets	9		1,757,463		1,011,785
Tangible assets	10		27,123		16,244
Current Assets					
Investments	11	40,141,004		42,406,676	
Debtors	12	844,364		1,092,577	
Cash at bank and in hand		6,491,233		3,267,054	
		<u>47,476,601</u>		<u>46,766,307</u>	
Creditors: amounts falling due within one year	13	(42,185,726)		(42,396,582)	
Net current assets			<u>5,290,875</u>		<u>4,369,725</u>
Total assets less current liabilities			<u>7,075,461</u>		<u>5,397,754</u>
Provision for deferred tax	15		(289,744)		100,482
			<u>6,785,717</u>		<u>5,498,236</u>
Reserves:					
Retained earnings:					
Accumulated income fund			3,435,271		3,435,271
Unrealised surplus on listed investments			3,350,446		2,062,965
			<u>6,785,717</u>		<u>5,498,236</u>

The notes on pages 19 to 32 form part of these financial statements.

Approved by the Board on 10 September 2026



Lord Tim Clement-Jones
Chair of the Board of Directors
Director



Edwin Thomas
Chair of the Finance and Audit Committee
Director

Cash Flow Statement

For the year ended 31 March 2026

Reconciliation of total Comprehensive income/(deficit) for the year

	2026	2025
	£	£
Total Comprehensive income/(deficit) for the year	1,287,481	(588,668)
Adjustments for:		
Fair value movements on investments	(1,398,798)	(82,472)
Investment income	(2,007,536)	(1,951,158)
Tax on ordinary activities	390,226	(58,414)
Amortisation of bond premiums	-	(88,744)
Amortisation of intangible fixed assets	179,660	91,021
Depreciation of tangible fixed assets	13,395	11,925
Loss on disposal of tangible assets	-	-
(Increase) in trade and other debtors	(125,536)	(55,930)
(Decrease)/Increase in royalties due to writers	323,000	(3,155,573)
(Decrease)/Increase in other creditors	(533,856)	613,525
Tax received	29,919	-
	(1,842,045)	(5,264,488)
Cash flows from investing activities		
Purchases of intangible assets	(925,338)	(360,991)
Purchases of tangible assets	(24,274)	(7,144)
Payment to acquire investments	(6,333,401)	(14,855,069)
Receipts from sales of investments	10,218,819	16,496,479
Money market interest	926,128	695,471
Dividends from SRI Fund	256,617	212,504
Bond interest	343,680	334,318
Dividends	273,231	272,913
Income from Managed funds	330,762	376,925
	5,066,224	3,165,406
Net cash to investing activities	5,066,224	3,165,406
Net increase/(decrease) in cash and cash equivalents	3,224,179	(2,099,082)
Cash and cash equivalents at the beginning of year	3,267,054	5,366,136
Cash and cash equivalents at end of year	6,491,233	3,267,054

The notes on pages 19 to 32 form part of these financial statements.

Statement of Changes in Equity

For the year ended 31 March 2026

Reserves	Accumulated income fund	Unrealised Surplus on Listed Investments Reserve	Total
	£	£	£
Retained earnings:			
At 31 March 2024	3,427,689	2,659,215	6,086,904
(Deficit)/Surplus for the financial year	(671,140)	82,472	(588,668)
Transfer on sales of investments	729,554	(729,554)	-
Deferred tax	(50,832)	50,832	-
At 31 March 2025	3,435,271	2,062,965	5,498,236
Surplus/(Deficit) for the financial year	(111,317)	1,398,798	1,287,481
Transfer on sales of investments	(278,909)	278,909	-
Deferred tax	390,226	(390,226)	-
At 31 March 2026	3,435,271	3,350,446	6,785,717

Notes to the Financial Statements

For the year ended 31 March 2026

Authors' Licensing and Collecting Society Limited is a private company limited by guarantee without share capital, registered in England & Wales, at 6th 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 60 societies in more than 43 countries. Where appropriate, ALCS also collects from UK schemes and distributes to societies in these countries on behalf of their writer members.

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 judgment 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 amounts in the financial statements are presented to the nearest £, unless otherwise stated.

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 (continued)

For the year ended 31 March 2026

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:

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 (continued)

For the year ended 31 March 2026

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.

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 cash held as fixed term deposits are initially recognised at transaction price, and subsequently carried at amortised cost.

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 (continued)

For the year ended 31 March 2026

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 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 (continued)

For the year ended 31 March 2026

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 payment 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 charge 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 profits; and
- 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 and amortisation is based on estimates of useful lives based on historical experience of the time assets are 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 (continued)

For the year ended 31 March 2026

2 Income: Analysis of licence income

	2026	2025
	£	£
Analysed geographically		
UK	36,146,837	34,762,469
Rest of Europe	11,061,132	10,159,510
North America	44,239	89,642
South America	122,357	9,459
Asia	109,641	99,978
Oceania	112,250	113,863
	<u>47,596,456</u>	<u>45,234,921</u>

In the year £4,184,271 (2025: £4,247,964) was received from UK sources which originated outside the UK.

Analysed by licence

Copyright Licensing Agency Ltd	32,610,280	31,179,000
Publishers' Licensing Services Ltd	807,458	805,789
BBC Studios Distribution	691,219	691,030
Educational Recording Agency Ltd	1,993,750	1,945,625
Other international bilateral agreements	11,493,749	10,613,477
	<u>47,596,456</u>	<u>45,234,921</u>

Analysed by right and use

Reprographic	33,319,554	31,751,899
Retransmission	5,395,226	4,936,599
Private Copying	1,072,904	1,823,221
Educational Audiovisual	2,131,384	2,057,476
Lending	808,891	680,472
Other Literary	267	122,590
Other Audiovisual	4,426,916	3,497,038
Visual Arts	441,314	365,626
	<u>47,596,456</u>	<u>45,234,921</u>

3 Commission Receivable

Receivable from commission on members' royalty income	4,570,549	4,737,523
Commission refund	(443,614)	(1,880,896)
	<u>4,126,935</u>	<u>2,856,627</u>

The normal operating activities of the company generated a surplus of £443,614 for the year which the Directors have decided will be returned to the members in the form of a commission refund in the March 2027 distribution.

Notes to the Financial Statements (continued)

For the year ended 31 March 2026

4 Administration Expenses

	2026	2025
	£	£
Staff costs - see note 7	3,149,114	3,196,385
Chief Executive Officer's remuneration - see note 7	260,872	248,191
Non-Executive Directors' remuneration - see note 7	132,637	125,703
Rent and services (including dilapidations provision)	287,740	291,186
Travel and meetings	82,686	51,536
Publishing and communications	272,944	284,831
Donations to charities and other organisations	165,597	192,295
Computer facilities and services	882,643	659,287
Subscriptions, insurance and other administrative costs	88,228	90,990
Legal, audit and other professional costs	278,036	275,868
Investment costs	206,587	230,164
Amortisation of intangible fixed assets	179,660	91,021
Profit/Losses on Sales of Fixed Assets	-	-
Depreciation of tangible assets	13,395	11,925
	6,000,139	5,749,382

Included within administrative expenses are the following:

Auditors' remuneration for audit work	18,000	17,500
Auditors' remuneration for non audit work	6,000	9,888
Property operating lease	284,116	291,629

5 Other operating income

	2026	2025
	£	£
Members subscriptions	97,537	131,228
WDP fees	41,440	76,040
Sundry income	5,600	4,775
	144,577	212,043

6 Investment income

	2026	2025
	£	£
Money market interest	636,891	895,797
Bond interest	354,372	331,172
Dividends	231,356	251,240
Dividends from SRI Fund	233,207	208,947
Income from managed funds	330,762	376,925
Net surplus / (deficit) on sale of investments	220,948	(112,923)
	2,007,536	1,951,158

Notes to the Financial Statements (continued)

For the year ended 31 March 2026

7 Directors and Employees

	2026	2025
	£	£
a) Staff costs		
Wages and salaries	2,169,572	2,297,029
Social security costs	383,444	316,519
Pension costs	400,832	361,384
Other staff costs	195,266	221,453
	<u>3,149,114</u>	<u>3,196,385</u>

Pension contributions of £13,595 (2025: £1,531) were outstanding at 31 March 2026.

b) Directors' remuneration*Chief Executive Officer:*

Emoluments	200,872	187,863
Pension costs	60,000	60,328
	<u>260,872</u>	<u>248,191</u>

Non-Executive Directors:

Lord Tim Clement-Jones	40,000	-
Tom Chatfield (Chair from July 2023 to March 2025)	-	27,734
Helen Blakeman (to November 2024)	-	7,918
Rachael Davis-Featherstone	11,522	3,780
Chun Kit Fan	22,517	18,814
Melissa Franks (from November 2025)	3,929	-
Maggie Gee (to November 2025)	7,564	11,397
Timandra Harkness (from November 2025)	3,782	-
Joanne Harris (to November 2024)	-	7,680
James McConnachie (to November 2025)	7,824	11,345
Okey Nzelu	12,101	11,971
Katharine Quarmby	11,346	3,686
Diane Redmond (to November 2024)	-	7,489
Edwin Thomas	12,052	13,889
	<u>132,637</u>	<u>125,703</u>

Remuneration fluctuates as some expenses are claimed through payroll.

No non executive director received a pension contribution in the year (2025: £Nil)

Notes to the Financial Statements (continued)

For the year ended 31 March 2026

c) The average monthly number of employees during the year was as follows:

	2026 Number	2025 Number
Chief Executive's Office & Policy Unit	4	3
Membership and Communications	14	14
Distribution	11	11
IT	7	7
Other Administration	7	7
	43	42

8 Taxation

	2026 £	2025 £
a) The tax charge/(credit) in the year was as follows:		
Total current tax	-	(7,582)
Deferred Tax		
Capital gains and losses	935,168	-
Unused losses	(544,942)	(50,832)
	390,226	(58,414)
Tax on ordinary activities		
	390,226	(58,414)
b) Tax credit reconciliation		
Surplus/(deficit) on ordinary activities before tax	1,677,707	(647,082)
Surplus/(Deficit) before tax multiplied by the CT rate of 25% (2025: 19%)	419,427	(122,946)
Effects of:		
- Expenses not deductible for tax purposes	81,196	34,185
- Exempt dividend income	(116,141)	(60,211)
- Other timing differences	(91,367)	(62,620)
- Fair value of financial instruments	(349,700)	-
- Chargeable gains	(14,490)	153,178
- Deferred tax adjustments excluding current year losses	461,301	-
	390,226	(58,414)
Tax charge/(credit) for year	390,226	(58,414)

Notes to the Financial Statements (continued)

For the year ended 31 March 2026

9 Intangible Assets

Cost	Assets under Construction £	Computer Software £	Total £
At 1 April 2025	-	2,567,050	2,567,050
Additions	925,338	-	925,338
Transfers	(624,372)	624,372	-
At 31 March 2026	300,966	3,191,422	3,492,388
Amortisation			
At 1 April 2025	-	1,555,265	1,555,265
Charge for the year	-	179,660	179,660
At 31 March 2026	-	1,734,925	1,734,925
Net Book Value			
At 31 March 2026	300,966	1,456,497	1,757,463
At 31 March 2025	-	1,011,785	1,011,785

10 Tangible Assets

Cost	Computer & Office Equipment £	Total £
At 1 April 2025	103,056	103,056
Additions	24,274	24,274
At 31 March 2026	127,330	127,330
Depreciation		
At 1 April 2025	86,812	86,812
Charge for the year	13,395	13,395
At 31 March 2026	100,207	100,207
Net Book Value		
At 31 March 2026	27,123	27,123
At 31 March 2025	16,244	16,244

Notes to the Financial Statements (continued)

For the year ended 31 March 2026

11 Investments	Cost £	Unrealised gain/(loss) £	Total at Fair value £
Bonds			
At 1 April 2025	7,965,173	(157,088)	7,808,085
Additions	2,134,978	-	2,134,978
Disposals	(1,961,757)	36,991	(1,924,766)
Current year valuation gain/(loss)	-	37,254	37,254
At 31 March 2026	8,138,394	(82,843)	8,055,551
Equities			
At 1 April 2025	11,836,287	331,485	12,167,772
Additions	2,832,336	-	2,832,336
Disposals	(3,025,789)	(152,394)	(3,178,183)
Current year valuation gain/(loss)	-	458,271	458,271
At 31 March 2026	11,642,834	637,362	12,280,196
SRI Fund			
At 1 April 2025	7,139,793	(533,353)	6,606,440
Additions	1,366,087	-	1,366,087
Disposals	(1,789,234)	394,312	(1,394,922)
Current year valuation gain/(loss)	-	99,921	99,921
At 31 March 2026	6,716,646	(39,120)	6,677,526
Other Listed Investments			
At 1 April 2025	10,002,941	2,321,438	12,324,379
Current year valuation gain/(loss)	-	803,352	803,352
At 31 March 2026	10,002,941	3,124,790	13,127,731
Cash Deposits			
At 1 April 2025	3,500,000	-	3,500,000
Additions	-	-	-
Disposals	(3,500,000)	-	(3,500,000)
At 31 March 2026	-	-	-
Net Totals Value			
At 31 March 2026	36,500,815	3,640,189	40,141,004
At 31 March 2025	40,444,194	1,962,482	42,406,676

Notes to the Financial Statements (continued)

For the year ended 31 March 2026

12 Debtors	2026	2025
	£	£
Trade and sundry debtors	143,243	73,703
Other debtors	47,137	45,063
Prepayments and accrued income	653,984	973,811
	844,364	1,092,577

There was no bad debt expense recognised during the year (2024: £Nil)

13 Creditors: Amounts falling due within one year	2026	2025
	£	£
Trade creditors	173,530	122,236
Other taxes and social security	1,215,781	1,724,408
Royalties due to writers - see note 14	39,647,904	39,324,904
Accruals and other creditors	1,148,511	1,225,034
	42,185,726	42,396,582

14 Royalties Due to Writers	2026	2025
	£	£
a) Included in creditors		
Amounts falling due within one year		
	39,647,904	39,324,904
b) Age of royalties included in creditors in year to 31 March:		
Licence income undistributed at end of current year	20,508,245	18,619,505
Licence income undistributed for more than 1 year	10,198,140	9,419,296
Licence income undistributed for more than 2 years	5,907,937	6,695,100
Licence income undistributed for more than 3 years	372,037	1,753,335
Licence income undistributed for more than 4 years	1,005,699	555,003
Licence income undistributed over 5 years	1,655,846	2,282,665
	39,647,904	39,324,904

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

15 Deferred taxation	Total
	£
Asset at 1 April 2025	(100,482)
Charged to income statement	390,226
Provision at 31 March 2026	289,744

The deferred tax provision/(asset) consists entirely of chargeable gains.

Notes to the Financial Statements (continued)

For the year ended 31 March 2026

16 Financial instruments

	2026 £	2025 £
Financial assets measured at fair value through the P&L	40,141,004	38,906,676

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.

	2026 £	2025 £
Tom Chatfield (to January 2025)	-	16,380
Chun Kit Fan (from April 2025)	27,966	-
James McConnachie (to April 2025)	1,009	14,173
Okey Nzelu	12,240	12,068
Edwin Thomas (from June 2025)	10,435	-
	<u>51,650</u>	<u>42,621</u>

Licence income received from CLA during the year was £32,610,280 (2025: £31,179,000). Remuneration fluctuates as some expenses are claimed through payroll.

	£	£
Key Management personnel remuneration	779,243	717,293

(for those who have an executive influence on the company but are not statutory directors)

ALCS holds a 16.67% interest in the Audiovisual Licensing Alliance (AVLA) Limited, a company limited by guarantee which offers licences for the use of its content to hotels, hostels, B&Bs and other similar establishments. AVLA commenced trading in 2023 but has yet to make a distribution. Current income is used to offset set up and running costs. Richard Combes (ALCS Deputy CEO) represents ALCS on the AVLA Board. The amount outstanding from AVLA at the year end was £103,856 (2025: £64,714). ALCS has made a provision of £64,714 (2025: £64,714) against these costs.

Notes to the Financial Statements (continued)

For the year ended 31 March 2026

19 Controlling Party

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

20 Capital Commitments

At 31 March 2026 the Company had Capital Commitments as follows:

	2026	2025
	£	£
Costs contracted but not provided in the Financial Statements	48,916	400,663

21 Operating Lease Commitments

The Company operates from WeWork offices on a 3 year agreement from September 2022 which has been renewed for a further 3 year period from September 2025. The total future minimum lease payment under non-cancellable operating leases are as follows:

	2026	2025
	£	£
Not later than one year	274,778	284,116
Later than one year and not later than five years	404,586	679,364
	<u>679,364</u>	<u>963,480</u>

22 Analysis of changes in net debt

	At 1 April 2025	Cash Flows	At 31 March 2026
	£	£	£
Cash and Cash Equivalents	3,267,054	3,224,179	6,491,233