

# Minutes of the 2020 AGM of the Authors' Licensing & Collecting Society

**11:00 on 26 November 2020, held entirely online due to COVID Pandemic.**

Tony Bradman, Chair of ALCS, welcomed members to the 42nd ALCS Annual General Meeting which was held online for the first time.

Within the pre-prepared video ([www.alcs.co.uk/annual-general-meeting](http://www.alcs.co.uk/annual-general-meeting)) Owen Atkinson, Chief Executive of ALCS, provided an update on the work of the organisation during the past year. He reported that 2019 had been a successful year with a collection of £36.4M in licence fee income for ALCS members. This was the 10th consecutive year in which income had been above £30M. ALCS had distributed a record £36.8M (an increase of 5 ½% from the previous year) to over 92,000 members; on top of which a further £0.5M was paid out through the agency agreement ALCS has with Writers Digital Payments Limited. The CEO stated that net commission for the year was 8.4%. The CEO noted that ALCS membership continues to increase and that in total ALCS now has over 108,000 members.

The CEO then spoke about some of the challenges ALCS was facing due to the impact of the COVID pandemic and the uncertain business environment due to BREXIT and the potential effect this could have on future ALCS income. He noted that the focus going forward remains on developing licensing opportunities both in the UK and across the world as well as working as efficiently as possible to keep commission rates low.

Formal proceedings commenced.

## **Agenda Item 1: To receive and adopt the Board of Directors' Report and Accounts for the period 1st April 2019 to 31st March 2020**

Mark Bispham, Group Chief Financial Officer, presented the Accounts and recommended them to the meeting.

The Chair moved for the adoption of the Directors' Report and Financial Statements for the period 1 April 2019 to 31 March 2020. Tom Chatfield proposed; Joanne Harris seconded.

<b>Votes</b>	<b>No. votes</b>
For	402
Against	1
Abstain	19

The Chair confirmed that agenda item 1 was adopted.

## **Agenda item 2: To receive and adopt the Annual Transparency Report for 2019/20**

Owen Atkinson, Chief Executive Officer, presented the Transparency Report and explained the rationale behind this to the meeting.

The Chair moved for the adoption of the Annual Transparency Report for the period 1 April 2019 to 31 March 2020. Di Redmond proposed; Faye Bird seconded.

<b>Votes</b>	<b>No. votes</b>
For	403
Against	1
Abstain	15

The Chair confirmed that agenda item 2 was adopted.

## **Agenda item 3: To re-appoint Messrs Shipleys LLP, 10 Orange Street, London WC2H 7DQ as Auditors of the Company and to authorise the Directors to fix their remuneration**

The Chair moved the motion for the re-appointment of Shipleys LLP as Auditors of the Company, and to authorise the Directors to fix their remuneration. Michael Ridpath proposed; Joan Smith seconded.

<b>Votes</b>	<b>No. votes</b>
For	401
Against	4
Abstain	18

The Chair confirmed that agenda item 3 was adopted.

## **Agenda Item 4: To consider and if thought appropriate approve the recommendations of the Remunerations Committee regarding Directors' fees for 2020/21**

The Chair reported that the current level of remuneration paid to Non-Executive Directors was recorded in the Annual Report and that the Remuneration Committee had recommended that remuneration paid to Directors for 2020/21 should be increased by 1.8% from the rates set for 2019/20 in line with inflation.

The Chair moved for the adoption of the recommendation regarding Directors' fees. Paul Farrelly proposed; Caroline Sanderson seconded.

<b>Online votes</b>	<b>No. votes</b>
For	348
Against	22
Abstain	54

The Chair confirmed that agenda item 4 was adopted.

The Chair thanked all ALCS staff for adapting to working from home so efficiently. He also noted that ALCS would be exploring the future working structure of the Company once everything had returned to normal. The focus would continue to be keeping costs low hence maintaining a low commission rate and paying as much money as possible to our Members. Owen Atkinson noted the headline commission rate of 9.5% was one of the lowest of any UK collecting societies.

#### **Questions asked during the AGM**

**Q. What is Fetter Investments?** Mark Bispham noted that this was a small joint venture company set up some years ago with Publishers Licensing Services to look at potential partnership opportunities to grow collective licensing. As this has not been utilised for some time now a decision was made to change it to a dormant company.

**Q. Can ALCS explain why the pandemic will reduce payments to authors?** Owen Atkinson noted that income comes from licensing arrangements and a lot of it is voluntary licensing, for example in the business sector. This sector has been hit hard by the pandemic, so some businesses have not taken out licences or have lowered their headcount which affects the fees paid. On audio-visual income, this is sometimes based on advertising revenue from TV stations and we are expecting a 5-7% fall in revenues this year. Another example of areas hit by the effect of the pandemic are language schools which have been unable to function for much of the year and thus will not be paying licence fees.

**Q. What is ALCS doing to address the lack of diversity on the Board of Directors?** Tony Bradman noted that this is an issue currently being reviewed and will be at the forefront of our minds when recruiting a co-opted member of the Board next year.

**Q. What progress has been made on licensing digital uses as well as protecting copyright online?** Owen Atkinson explained that in terms of our advocacy ALCS continues to lobby for the strongest protection online and as a collecting society we encourage licensed use of all works, either digital or analogue. He noted that the Copyright Licensing Agency has a couple of digital platforms in the schools and Higher Education sectors which collect money that is paid to ALCS members and the Educational Recording Agency is also looking at a digital platform. We will continue to look for opportunities to maximise income in the digital arena. However, ALCS does not monitor illegal use or develop tools for protecting copyright online; for this, members would need to talk with their publisher or producer.

**Q. Does ALCS only pay for UK published materials?** Owen Atkinson responded that ALCS only licences UK publications or, in the audio-visual sector, only UK productions and co-productions. We do, however, receive income for some overseas published books from our partner collecting societies and this is paid in our normal distributions.

**Q. If new Member States join the EU, will ALCS Members need to do anything to get their ALCS fees from those countries?** Owen Atkinson stated that nothing further needed to be done; ALCS asks that all Members register their works through the Members' area of the website. He noted that ALCS has a range of international agreements worldwide and we track and collect fees accordingly.

**Q. What monies does ALCS receive on audiobooks?** Owen Atkinson responded that periodically ALCS receives small payments from The Netherlands for the lending of audiobooks which we pay to our Members.

**Q. Will future AGMs be held online regardless of COVID?** Tony Bradman felt we are moving to a more flexible world and that it may be possible to consider a hybrid event in the future. He did also note that it is always good to meet Members in person wherever possible.

**Q. Why do you replace your auditors so frequently?** Mark Bispham noted that we appoint our auditors for an initial 3 year term and if they perform satisfactorily then they can be re-appointed for a further 3 year term. He did note however that there was a benefit in bringing in a fresh pair of eyes at regular intervals as an extra level of assurance.

**Q. If work is translated into another language, do we need to register the translated works' ISBNs?** Tony Bradman stated that the more data our Members give us the better to ensure we pay all the monies due to them.

**Q. Can you explain the discrepancy between the CEO and other Director's remuneration?** Tony Bradman noted that the CEO was a full-time employee of the Company who had worked for ALCS for 22 years; 15 years as CEO. He noted that he himself worked one day a week and other Directors attended 5 Board meetings a year plus various Committee meetings. Owen Atkinson also noted that salaries for the Board and the staff were externally benchmarked to ensure appropriate levels of remuneration.

**Q. COVID policies have given little support to the self-employed, what action has ALCS taken on this issue?** Tony Bradman noted that ALCS has consistently lobbied on this although the government listens but take no action. Owen Atkinson responded that the Government response had been appalling. ALCS has worked with the Society of Authors and the Writers' Guild on this issue. He also noted that ALCS had made a significant donation to the Society of Authors' Emergency fund to help writers at this time and noted that ALCS would continue to campaign on this subject.

**Q. What happened to the investments on the stock market during the pandemic?** Mark Bispham responded that in February/March investments fell but have since recovered somewhat. All investments are medium term and it is important to retain real value in real terms; investments had dipped but have come back up. Tony Bradman noted that generating investment income helps to keep costs down and allows ALCS to pay more to our Members.

**Q. What are our benchmarking criteria?** Tony Bradman explained that this was undertaken by an external independent consultancy and their advice was taken to the ALCS Remuneration Committee for review. He was happy that a solid review process takes place in this regard.

**Q. Does the Government respond well to our lobbying?** Owen Atkinson noted most of our sectors are finding that the Government listens but currently takes no action. We are getting opportunities to speak with Ministers, but they could certainly do more for the creative sector.

**Q. How is ALCS preparing for Brexit?** Owen Atkinson responded that since 2016 we have been working with our EU partner organisations to ensure payments continue to flow to the UK and our Members. We have been working with the Intellectual Property Office to ensure certain protections remain in place. 40% of income comes from overseas so this is a priority for ALCS.

The Chair thanked our members for their questions and, there being no further questions, the Chair closed the Meeting.