



Annual Transparency Report

2022 - 2023

Copy, Right

Message from the Co-Chairs

Rosie Glazebrook and Tom Chatfield

2023 marks the 40th anniversary of the Copyright Licensing Agency (CLA). It was established in 1983 as a joint venture between Publishers' Licensing Services (PLS) and Authors' Licensing and Collecting Society (ALCS) and has since expanded its membership to include the Design and Artists Copyright Society (DACs) and PICSEL (Picture Industry Collective Society for Effective Licensing).

Over the past four decades, CLA has earned a reputation for excellence and innovation in rights and licensing, generating over £1.5bn in collective licensing revenues that have been distributed to over 200,000 authors, publishers, and visual artists. The work that CLA does is essential to the creative ecosystem.

CLA had a record-breaking year in 2022/2023, achieving revenues of £96m and making payments of £81.2m to authors, publishers and visual artists based in the UK and overseas. We are again proud to announce such a positive year for CLA, in these testing times.

We would like to thank all those who work for CLA, acknowledge the excellent leadership of our CEO, Mat Pflieger, who together with the board have achieved such remarkable success in 22/23. Our people truly make us who we are.

Annual summary by the CEO

Mat Pflieger

2023 is CLA's 40th anniversary so I would like to start by saying thank you to our customers, members, partners and suppliers for their ongoing support and engagement with CLA.

For 40 years, CLA has helped organisations to research, create and collaborate with a range of simple licensing solutions whilst ensuring creators' rights are respected. CLA's unique position in the creative ecosystem perfectly positions it to act as a trusted intermediary between rightsholders and content users and efficiently distribute the revenues generated back to content creators. This helps to ensure that creators are incentivised to create more content in the future.

In an era where technological advances make it easier to overlook or ignore the need to seek permission before copying content, it is more important than ever that organisations and their employees act responsibly, and Copy, Right.

A summary of the key highlights for the year includes:

- Revenues of £96m (year on year growth of 8.2%), including UK revenue of £82.8m. Annual Corporate licensing sales grew to £24.8m in 22/23.
- Record net distributions to authors, publishers and visual artists based in the UK and overseas of £81.2m
- Creation of and rollout of a new look and feel for the CLA brand allowing us to better engage with our audiences.
- CLA establishing a partnership with the Educational Recording Agency (ERA) enabling educators to access over 5,000 videos via the Education Platform (EP) making it a multimedia offering.
- Growth of 40% of new book titles available on EP as our members and individual educational publishers continue to contribute by providing 54,000 books and nearly 2,000 magazines for use by educators.
- The addition of more original material from publishers to the Digital Content Store (DCS). The DCS is a web-based system that combines a searchable repository of over 155,000 publisher-provided 'born digital' books and 430,000 digitised book and journal extracts with an online workflow management tool. The DCS helps university academic and library services manage the provision of student course packs and reading lists. Now adopted by 148 Higher Education Institutions and serving 75% of full-time equivalent students in the UK, it has seen almost 18 million student downloads since its launch.
- In 2022 CLA donated £40,000 from its Development Fund to four different charities, who each work in different ways to support the creative industries. The charities we donated to are: Into Art, Art Refuge, Book Aid International and Creative Future. Full details of the donations can be found in the Financial Information section below.

On behalf of the Senior Leadership Team, I would like to thank the staff at CLA for their hard work, resilience and fantastic results in 2022/23.

Looking to the future, CLA has demonstrated over the last forty years that copyright licensing is able to adapt to technological change, support innovation and play a vital role in connecting content users to content creators in an efficient and fair way. Whether the content user in the future is a person or a machine, content creators rights must always be respected and compensated appropriately. CLA is developing solutions to help ensure this is the case for both Generative AI and Text and Data Mining (TDM). We will be making further announcements on both areas later in 2023.

About CLA

The CLA, a regulated not-for-profit organisation, licenses organisations to lawfully use, copy, and share text and image-based content owned by authors, publishers, and visual artists. Revenues are distributed to owners, ensuring fair compensation for rights holders and support for the UK's creative economy.

Act responsibly. Protect your organisation. Support creatives. Copy, Right.

Legal and governance structure

CLA is a collective management organisation (CMO) and is controlled by its members, the Authors' Licensing and Collecting Society (ALCS), the Design and Artists Copyright Society (DACS), PICSEL (Picture Industry Collecting Society for Effective Licensing) and Publishers' Licensing Services (PLS).

We are a private company limited by guarantee and are governed by a Board of Directors. CLA has two Co-Chairs who are nominated by creator members and PLS and who alternate annually in performing the Chair role at meetings and co-chair other activities together. The majority of the non-executive Board Directors are nominated by the members, with two Independent Directors. All Directors must submit themselves for re-election at least every three years if they wish to continue serving and are considered by the Board to be eligible.

Membership of CLA is open to any Collective Management Organisation which can demonstrate;

- That it represents rights holders
- That it has acquired the necessary mandates relevant to CLA Licences
- That it operates under the terms of and complies with, an effective code of conduct compliant with the established regulatory regime.

Any Collective Management Organisation which considers itself eligible for membership may apply for admission.

Membership of other bodies

During this financial period CLA has been a member of, or affiliated to, the following bodies:

- Association of Learned and Professional Society Publishers (ALPSP)
- British Copyright Council (BCC)
- British Educational Suppliers Association (BESA)
- The Chartered Institute of Library and Information Professionals (CILIP)
- Independent Publishers Guild (IPG)
- International Federation of Reproduction Rights Organisations (IFRRO)
- Outsell
- Press Database and Licensing Network (PDLN)
- Professional Publishers Association (PPA)
- Trading Standards Institute (TSI)

Information on refusals to grant a licence

We have not refused to grant any licences in the period of this report.

Deductions for social, cultural and educational services

We have not made any deductions for social, cultural or educational services.

Relationships with other CMOs

We have contractual relationships with other CMOs whereby we act in two capacities:

i. Reciprocal agreements with overseas CMOs

We have reciprocal agreements with overseas CMOs enabling us to include their repertoire in CLA licences sold in the UK and for our repertoire to be included in licences sold in their territories overseas. These agreements generate significant revenue for CLA with money from overseas licensing through international CMOs making up 13.76% of CLA's total revenue in 2022/23. The breakdown of revenue distributed to overseas CMOs can be found in the Financial Information on Rights Revenue.

In relation to this we are members of the International Federation of Reproduction Rights Organisations (IFRRO), the international CMO's network. As a member we comply with the IFRRO Code of Conduct, which sets out what is expected in terms of their representation of copyright owners and relationships with users. Membership of IFRRO and compliance with the Code is a necessary condition to exchange a bilateral agreement with a CMO in another country.

ii. Agency licensing agreements with UK CMOs

We are agents for NLA media access Ltd (NLA) and sell licences on their behalf across the education sector including schools, further education and higher education. Under this agreement we market and sell the licences and distribute the licence fees to NLA and take an agency fee in the form of a subvention from the monies distributed to NLA.

Detail on the amounts distributed to the NLA can be found in Financial Information on Rights Revenue. No disclosure has been made with regards to the administration fee on the grounds that this is deemed sensitive information.

Activities separate to normal collective rights management activities

CLA continues its commercial partnership with Kortext Limited in the provision of a Resource List Management product called 'KeyLinks' to the education sector.

Financial statements

The Financial Statements for the financial year 2022/23, are published annually on our website: www.cla.co.uk. A summary of key financial activities for the financial year is set out below.

Financial Information on Rights Revenue

CLA makes monthly distributions based on the timing of income and cash receipts. All administrative overheads and costs relate to the management of rights and are allocated in direct proportion to gross fees invoiced in the year.

During this financial year, in accordance with the distribution policy, commission of 11% was deducted on renewed licences and commission of 40% deducted on new licences by CLA at the point of invoicing to cover operational costs. Commission rate deductions for CMOs with agency agreements with CLA are at individually agreed rates. As a result of this policy, the actual commission rate charged to members during this year was £12,793,742, which represents 13.3% of gross fees invoiced in the year.

Distribution of licence fees collected net of CLA administration charge amounted to £26,885,290 to ALCS (2021/22: £26,665,189), £39,606,106 to PLS (2021/22: £38,379,884), £ 4,314,176 to DACS (2021/22: £4,655,953) and £ 787,766 to PICSEL (2021/22: £850,546). Full detail on how licence fees are split between the members can be found in [CLA's Distribution Model Report](#). Net distributions paid to NLA amounted to £2,354,240 (2021/22: £2,333,131). Net distributions paid to overseas CMOs amounted to £6,033,813 (2021/22: £6,255,594).

The table below is a summary of the gross fees issued in the year and the amount distributed of those gross fees only.

Sector licence analysis

Summary	Gross Fees invoiced in year	Distributed in Year	Pending Distribution	Admin Charge Allocation
Schools	£18,866,830	£18,694,809	(£172,021)	£2,514,409
FE	£4,633,038	£4,583,669	(£49,369)	£617,452
HE	£19,000,219	£18,634,158	(£366,061)	£2,532,186
Government	£8,529,837	£7,712,768	(£817,069)	£1,136,784
Business & Transactional	£31,761,860	£24,107,172	(£7,654,689)	£4,232,948
International	£13,205,850	£8,312,667	(£4,893,183)	£1,759,963
	£95,997,634	£82,045,243	(£13,952,391)	£12,793,742

Geographical source analysis

Summary	Gross Fees invoiced in year	Distributed in Year	Pending Distribution	Admin Charge Allocation
UK & Ireland	£81,567,855	£72,327,989	(£9,239,866)	£10,870,664
Europe	£5,431,035	£2,861,642	(£2,569,393)	£723,802
USA & Canada	£5,819,627	£4,515,453	(£1,304,173)	£775,590
ROW	£909,535	£360,606	(£548,929)	£121,215
Australia & NZ	£2,269,582	£1,979,553	(£290,030)	£302,470
	£95,997,634	£82,045,243	(£13,952,391)	£12,793,742

Financial Information on Rights Revenue continued

International receipts received in the year were as follows:

Territory	CMO	Receipt	CLA Admin fee allocation
Argentina	CADRA	£933	£124
Australia	Copyright Agency	£1,618,940	£215,758
Austria	Literar Mechana	£136,971	£18,254
Belgium	Reprobel	£130,296	£17,365
Canada	Access Copyright	£57,962	£7,725
Quebec	Copibec	£247,991	£33,050
Denmark	Copydan	£1,378,187	£183,673
Finland	Kopiosto	£580,741	£77,396
France	CFC	£705,475	£94,020
Germany	VG Wort	£558,870	£74,481
Greece	OSDEL	£63,522	£8,466
Hong Kong	HKRRLS	£116,738	£15,558
Iceland	Fjolis	£42,782	£5,702
India	IRRO	£3,035	£404
Ireland	ICLA	£205,630	£27,405
Italy	SIAE	£79,470	£10,591
Japan	JAC	£349,970	£46,641
Japan	JCOPY	£22,316	£2,974
Netherlands	IPRO	£456,337	£60,817
Netherlands	Stichting Reprorecht	£282,492	£37,648
New Zealand	CLNZ	£604,412	£80,551
Norway	Kopinor	£1,067,192	£142,226
Singapore	CLASS	£75,492	£10,061
South Africa	DALRO	£255,261	£34,019
South Korea	KOLAA	£85,790	£11,433
Spain	CEDRO	£332,437	£44,304
Sweden	Bonus Copyright Access	£678,252	£90,392
Switzerland	Pro Litteris	£316,197	£42,140
USA	CCC	£5,513,674	£734,815

International distributions paid in the year were as follows:

Territory	CMO	Gross dist. paid before CLA admin subvention & withholding tax	Distributions paid net of CLA Admin subvention	CLA Admin subvention
Argentina	CADRA	£6,574	£4,266	£2,308
Australia	Copyright Agency	£275,465	£219,452	£56,013
Austria	Literar Mechana	£3,982	£3,319	£663
Belgium	Reprobel	£38,028	£31,573	£6,455
Canada	Access Canada	£214,353	£185,070	£29,283
Quebec	Copibec	£10,933	£8,916	£2,017
Denmark	Copydan	£47,771	£39,677	£8,095
Finland	Kopiosto	£22,081	£18,284	£3,796
France	CFC	£254,306	£210,557	£43,748
Germany	VG Wort	£338,029	£277,964	£60,065
Greece	OSDEL	£6,911	£5,836	£1,074
Hong Kong	HKRRLS	£13,954	£11,501	£2,453
Iceland	Fjolis	£956	£742	£214
India	IRRO	£62,293	£43,193	£19,100
Ireland	ICLA	£272,054	£230,740	£41,314
Italy	SIAE	£110,269	£84,618	£25,651
Jamaica	JAMCOPY	£908	£721	£188
Japan	JAC	£101,181	£83,541	£17,641
Japan	JCOPY	£15,264	£12,835	£2,429
Korea	KOLAA	£18,298	£13,276	£5,022
Luxembourg	LUXXOR	£7,516	£5,820	£1,696
Mexico	CEMPRO	£5,680	£4,141	£1,540
Netherlands	Stichting Reprorecht	£154,230	£126,488	£27,742
New Zealand	CLNZ	£81,743	£62,848	£18,895
Norway	Kopinor	£15,139	£12,472	£2,668
Singapore	CLASS	£41,993	£32,687	£9,306
South Africa	DALRO	£27,764	£23,081	£4,683
Spain	CEDRO	£61,384	£51,310	£10,074
Sweden	Bonus Copyright Access	£14,906	£12,078	£2,829
Switzerland	Pro Litteris	£162,258	£134,575	£27,683
Turkey	YAYBIR	£6,202	£4,581	£1,621
USA	CCC	£4,778,029	£3,874,461	£903,568
		£7,170,453	£5,830,621	£1,339,832

Financial Information on Rights Revenue continued

Directors' remuneration:

	2023	2022
CEO		
Emoluments and other remuneration	£181,983	£169,849
Pension contributions (to a defined contributions scheme)	£22,516	£20,715
	£204,499	£190,564
Fees paid to Non-Executive Directors (received as individuals)		
T Bird	£10,815	£10,300
T Bradman	£15,000	£15,425
N Burgess	£10,815	£10,600
T Chatfield	£12,276	£10,300
R Glazebrook	£22,500	£14,144
Dr Howes	£12,075	£11,500
N Service	£5,408	£10,300
L Tribe	-	£2,575
C Quinn	£12,075	£11,500
S Voss	£5,407	-
J Revill	£5,625	-
	£111,996	£96,644
Benefits		£790
Fees paid to Non-Executive Directors (received indirectly via service company)		
S Lotinga	£3,605	£10,300
M Majurey	£10,815	£6,008
A Freeman	£7,210	-
	£21,630	£16,308
Total payments to Directors	£338,125	£304,306
Total remuneration of higher paid Director	£204,499	£190,564

CLA Development Fund

In 2019, CLA agreed a Policy for Undistributable Amounts assigned to non-UK rightsholders. From 2020/21 onwards, where CLA has amounts over three years old relating to non-UK rightsholders that it is unable to distribute, these monies may be reallocated to CLA's members for distribution to rightsholders and/or added to CLA's Development Fund. The Development Fund is used to support charitable causes in the creative industries and to assist in the development of collective licensing overseas. The breakdown of the development fund in 2022/23 is detailed below:

Total Undistributable Amount (in 2019/20)	£ 736,000
Total distributed to members (paid in April 2020)	£ 368,000
Total Available in Development Fund	£ 368,000
Paid to UK based charities (paid in July 2020)	£ 100,000
Allocated to international support	£ 40,800
Paid to UK based charities (paid in July 2021)	£ 120,000
Paid to UK based charities (paid in July 2022)	£ 40,000
Funds remaining in the Development Fund (March 2023)	£ 67,200

The charitable causes supported during 2022/23 were:

IntoArt	£10,000
Art Refuge	£10,000
Creative Future	£10,000
Book Aid International	£10,000

Funds remaining in the Development Fund will be used in 2023/24.

Independent Chartered Accountants' Review Report to the Copyright Licensing Agency Limited

To the directors of The Copyright Licensing Agency Limited

We have performed the procedures agreed with you and appended to the Letter of Engagement dated 11 August 2022 with respect to the Annual Transparency Report of The Copyright Licensing Agency Limited for the year ended 31 March 2023. Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements. The procedures were performed solely for the purpose of your compliance with Regulation 21(2)(b) of the Collective Management of Copyright (EU Directive) Regulations 2016 and are summarised in the guidance provided by the IPO available (October 2017) as appended to the Letter of Engagement dated 11 August 2022.

We report our findings as follows:

Based on our review, nothing has come to our attention that causes us to believe that the information required by sections 21.4a, h(i)(ii), i(iv)(v)(vi), j(i)(ii)(iii)(vi)(vii) and k (i)(ii)and(iii) of the Collective Management of Copyright (EU Directive) Regulations 2016 that is included in the Annual Transparency Report (ATR) as at 31 March 2023 is incomplete or misleading, or that the ATR has not been compiled in accordance with the requirements of the Regulations.

We would comment as follows on the following sections:

- i. Section 21.4(g), no report was produced as no amounts were deducted for the purpose of social, cultural or educational services,
- ii. Sections 21.4(i)(i), (ii), (iii) and (viii), as the only category of rights managed is reprography and there are no other services provided other than rights management, operating expenses were not split between different categories of rights managed or between different services,
- iii. Sections 21.4(j)(iv)(v), the amounts due to rights holders were not split to show amounts collected but not yet attributed to rights holders, but a breakdown of total amount due to rights holders has been provided in the ATR.
- iv. Section 21.4k(iv), amounts distributed directly to right holders originating from other collective management organisations with a breakdown for each category of rights and for each organisation cannot be easily determined and is therefore not disclosed in the ATR.

Although the procedures performed are of an audit nature, they do not constitute a full scope audit or review engagement performed in accordance with International Standards on Auditing (UK) or the International Standard for Review Engagements (UK and Ireland). Accordingly, we do not express any assurance on the annual transparency report for the year ended 31 March 2023.

Had we performed additional procedures or had we performed engagements in accordance with International Standards on Auditing (UK) or the International Standard for Review Engagements (UK and Ireland), matter other than those highlighted above 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 The Copyright Licensing Agency 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 The Copyright Licensing Agency Limited for any other purpose whatsoever. Our Report was not prepared for the benefit of any party other than The Copyright Licensing Agency Limited. Berg Kaprow Lewis 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.

Directors' Responsibilities

The directors are responsible for the preparation of the Transparency Report, and for being satisfied that it is complete and compliant with the requirements of the Regulations.

The directors are also 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. 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.

The directors have undertaken to make available to us as and when required, all the company's accounting records and related financial information, including minutes of management and directors' meetings that we need to do our work. This includes excerpts from relevant legal documentation, and any other explanations they believe are relevant to enable us to fulfil our responsibilities.

Myfanwy Neville FCA

For and on behalf of

BKL Audit LLP

Chartered Accountants

London

Date: 13 October 2023

The Copyright Licensing Agency Limited

Contact us:

Tel: 020 7400 3100

Email: cla@cla.co.uk

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