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**THE COPYRIGHT LICENSING AGENCY LIMITED**

**(A Company Limited by Guarantee)**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

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**THE COPYRIGHT LICENSING AGENCY LIMITED**

**(A Company Limited by Guarantee)**

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**COMPANY INFORMATION**

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**Directors**

F Bird (resigned 28 February 2023)  
T Bradman (resigned 30 November 2022)  
N Burgess  
T Chatfield  
A Freeman (appointed 1 August 2022)  
J Freeman (appointed 1 April 2023)  
R Glazebrook  
Dr S Howes (resigned 1 April 2023)  
S Lotinga (resigned 31 July 2022)  
M Majurey  
J Mcconnachie (appointed 1 May 2023)  
O N Nzelu (appointed 1 October 2023)  
M Pfleger  
C W Quinn  
J Revill (appointed 1 January 2023, resigned 28 July 2023)  
N Service (resigned 30 September 2022)  
S Voss (appointed 10 October 2022)

**Registered number**

01690026

**Registered office**

BKL Audit LLP  
35 Ballards Lane  
London  
N3 1XW

**Independent auditors**

BKL Audit LLP  
Chartered Accountants & Statutory Auditor  
35 Ballards Lane  
London  
N3 1XW

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**THE COPYRIGHT LICENSING AGENCY LIMITED**  
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**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**Principal activities, trading review and future developments**

The Copyright Licensing Agency Limited (CLA) operates as an agent for its members, the Authors' Licensing and Collecting Society Limited (ALCS), Publishers' Licensing Services Limited (PLS), the Design and Artists Copyright Society Limited (DACS) and the Picture Industry Collecting Society for Effective Licensing (PICSEL). Further details of their memberships can be found on their own websites.

CLA is an active member of the International Federation of Reproduction Rights Organisations and has reciprocal licensing agreements with forty-one counterparts in thirty-seven countries.

The company is the representative of the owners and licensees of literary and artistic works published in the United Kingdom and Overseas for the purposes of:

- negotiating licence terms and issuing licences and services for the photocopying, scanning and digital re-use of literary and artistic works; and
- collecting and distributing licence fees, royalties and other monies to its members and other rights holders.

**Distribution policy**

Licence fees received by CLA are distributed to its members and other rights holders after making provision for CLA's liabilities and expenses, on the basis of agreements between the members and other rights holders. CLA undertakes data collection exercises across a sample of its licensed organisations each year to help it pay the authors, publishers and visual creators whose work has been copied under its licences. Distributions are made each month on a sector-by-sector basis, while CLA aims to minimise the time between licence fees being collected and distributions being made.

Monies paid to ALCS, DACS, PICSEL and PLS are paid to their own members in accordance with their distributions policies, available on their respective websites.

**Review of the Business**

The income statement is set out on page 10 and shows income of £12,247,036 (2022 - £10,891,071) and a surplus for the year of £2,653 (2022 - £56,991). This is in line with CLA's agency agreements where income is intended to match operating expenses for the year. A tax charge or credit is made against undistributed licence fees. As such, members funds are nil at the end of the reporting year.

**Code of Conduct**

CLA complied with its Code of Conduct during the course of the year ended 31 March 2023. Full details of its Code of Conduct can be found on its website at [www.cla.co.uk](http://www.cla.co.uk).

**Principal risks and uncertainties**

Owing to the uncertain economic environment and inflationary pressures, it is likely that CLA's licence income will be slightly affected in the current year from the failure of some of the company's customers in meeting their financial obligations for the services provided by the company. The Board manages this situation through robust credit control procedures, including offering payment plans where appropriate.

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**THE COPYRIGHT LICENSING AGENCY LIMITED**  
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**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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Changes in content consumption and challenges to copyright, in particular from technological advances such as generative artificial intelligence, present an ongoing risk for CLA, which may result in it losing income in the future. CLA manages the risk by providing added value services to its customers, building and maintaining strong customer relationships and operating efficient supply and account handling processes.

As a result of receiving funds from foreign Reproduction Rights Organisations, CLA's results could be affected by changes in foreign exchange rates. Foreign exchange gains and losses are included in the operating expenses. CLA mitigates the risk by converting foreign currency received on a regular basis.

This report was approved by the board and signed on its behalf.

**M Pfleger**  
Chief Executive

Date: 13 October 2023

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**THE COPYRIGHT LICENSING AGENCY LIMITED**  
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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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The directors present their report and the audited financial statements for the year ended 31 March 2023.

**Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the audited 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 audited financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the audited 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 to enable them to ensure that the audited 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.

**Results and dividends**

The surplus for the year, after taxation, amounted to £2,653 (2022 - £56,991).

**Directors**

The directors who served during the year were:

F Bird (resigned 28 February 2023)  
T Bradman (resigned 30 November 2022)  
N Burgess  
T Chatfield  
A Freeman (appointed 1 August 2022)  
R Glazebrook  
Dr S Howes (resigned 1 April 2023)  
S Lotinga (resigned 31 July 2022)  
M Majurey  
M Pfleger  
C W Quinn  
J Revill (appointed 1 January 2023, resigned 28 July 2023)  
N Service (resigned 30 September 2022)  
S Voss (appointed 10 October 2022)

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Auditors**

Under section 487(2) of the Companies Act 2006, BKL Audit LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.

**M Pfleger**  
Chief Executive

Date: 13 October 2023

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**THE COPYRIGHT LICENSING AGENCY LIMITED**  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE COPYRIGHT LICENSING AGENCY LIMITED**

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**Opinion**

We have audited the financial statements of The Copyright Licensing Agency Limited (the 'Company') for the year ended 31 March 2023, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, 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 2023 and of its result for the year then 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 a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE COPYRIGHT LICENSING AGENCY LIMITED (CONTINUED)**

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**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 Directors' Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report 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.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE COPYRIGHT LICENSING AGENCY LIMITED (CONTINUED)**

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**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:

- Enquiring of management and those charged with governance, including the Risk and Audit Committee, around actual and potential litigation and claims;
- Enquiring of management and those charged with governance, including the Risk and Audit Committee, to identify any instances of noncompliance with laws and regulations;
- Reviewing board meeting minutes for all meetings taking place throughout the year and indeed up until the date of signature of these financial statements;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, walkthrough testing and evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE COPYRIGHT LICENSING AGENCY LIMITED (CONTINUED)**

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As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**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.

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THE COPYRIGHT LICENSING AGENCY LIMITED  
(A Company Limited by Guarantee)

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE COPYRIGHT LICENSING AGENCY LIMITED (CONTINUED)

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Myfanwy Neville FCA (Senior Statutory Auditor)

for and on behalf of

**BKL Audit LLP**

Chartered Accountants

Statutory Auditor

London

13 October 2023

**THE COPYRIGHT LICENSING AGENCY LIMITED**  
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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £	2022 £
Income		12,247,036	10,891,071
<b>Gross surplus</b>		<b>12,247,036</b>	<b>10,891,071</b>
Administrative expenses		(12,385,585)	(10,933,603)
Other operating income	4	303,050	744,861
Other operating charges	5	(303,050)	(744,861)
<b>Operating deficit</b>	6	<b>(138,549)</b>	<b>(42,532)</b>
Interest receivable and similar income	10	138,549	43,140
Interest payable and similar expenses		-	(608)
<b>Surplus before tax</b>		<b>-</b>	<b>-</b>
Tax credit on surplus	11	2,653	56,991
<b>Surplus for the year</b>		<b>2,653</b>	<b>56,991</b>

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

The notes on pages 15 to 30 form part of these financial statements.

THE COPYRIGHT LICENSING AGENCY LIMITED

(A Company Limited by Guarantee)

REGISTERED NUMBER: 01690026

STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Intangible assets	12	1,751,708	2,253,096
Tangible assets	13	63,041	101,566
		<u>1,814,749</u>	<u>2,354,662</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	14	12,859,943	12,798,371
Current asset investments	15	7,014,652	5,025,000
Cash at bank and in hand	16	12,923,723	11,266,834
		<u>32,798,318</u>	<u>29,090,205</u>
Creditors: amounts falling due within one year	17	(34,613,067)	(31,169,867)
<b>Net current liabilities</b>		<u>(1,814,749)</u>	<u>(2,079,662)</u>
<b>Total assets less current liabilities</b>		-	275,000
<b>Provisions for liabilities</b>			
Other provisions	20	-	(275,000)
		<u>-</u>	<u>(275,000)</u>
<b>Net assets</b>		<u>-</u>	<u>-</u>
<b>Capital and reserves</b>		<u>-</u>	<u>-</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**M Pfleger**  
Director

Date: 13 October 2023

The notes on pages 15 to 30 form part of these financial statements.

**THE COPYRIGHT LICENSING AGENCY LIMITED**  
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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2023**

	Profit and loss account £	Total equity £
<b>Comprehensive income for the year to 31 March 2021</b>		
Surplus for the year	56,991	56,991
	<hr/>	<hr/>
<b>Other comprehensive income for the year</b>	-	-
	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	56,991	56,991
Transfer to Administration Charge on account (Note 18)	(56,991)	(56,991)
	<hr/>	<hr/>
<b>Total transactions with owners</b>	(56,991)	(56,991)
	<hr/>	<hr/>
<b>At 31 March 2022</b>	-	-
<b>Comprehensive income for the year to 31 March 2021</b>		
Surplus for the year	2,653	2,653
	<hr/>	<hr/>
<b>Other comprehensive income for the year</b>	-	-
	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	2,653	2,653
<b>Contributions by and distributions to owners</b>		
Transfer to Administration Charge on account (Note 18)	(2,653)	(2,653)
	<hr/>	<hr/>
<b>Total transactions with owners</b>	(2,653)	(2,653)
	<hr/>	<hr/>
<b>At 31 March 2023</b>	-	-
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 15 to 30 form part of these financial statements.

**THE COPYRIGHT LICENSING AGENCY LIMITED**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

	2023 £	2022 £
<b>Cash flows from operating activities</b>		
Surplus for the year	2,653	56,991
<b>Adjustments for:</b>		
Amortisation of intangible assets	1,367,862	1,468,211
Depreciation of tangible assets	80,844	90,455
Loss on disposal of tangible assets	32,187	(400)
Interest payable	-	608
Interest receivable	(138,549)	(43,140)
Taxation charge	(2,653)	(56,991)
(Increase)/decrease in debtors	(52,776)	1,704,744
Increase/(decrease) in creditors	527,277	(2,386,927)
(Decrease)/increase in provisions	(275,000)	93,958
Corporation tax receivable	(6,143)	(8,161)
Increase/(decrease) in undistributed licence fees	2,913,270	(430,687)
<b>Net cash generated from operating activities</b>	<b>4,448,972</b>	<b>488,661</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(866,474)	(1,346,817)
Purchase of tangible fixed assets	(74,506)	(4,699)
Sale of tangible fixed assets	-	400
Purchase of short-term unlisted investments	(7,014,652)	(5,025,000)
Sale of short-term unlisted investments	5,025,000	7,000,000
Interest received	138,549	43,140
<b>Net cash from investing activities</b>	<b>(2,792,083)</b>	<b>667,024</b>
<b>Cash flows from financing activities</b>		
Interest paid	-	(608)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(608)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,656,889</b>	<b>1,155,077</b>



THE COPYRIGHT LICENSING AGENCY LIMITED  
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STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
Cash and cash equivalents at beginning of year	11,266,834	10,111,757
<b>Cash and cash equivalents at the end of year</b>	<b>12,923,723</b>	<b>11,266,834</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	12,923,723	11,266,834
	<b>12,923,723</b>	<b>11,266,834</b>

The notes on pages 15 to 30 form part of these financial statements.

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**THE COPYRIGHT LICENSING AGENCY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**1. General information**

The principal activity of the Company is that of collecting and distributing royalty fees for reprography as an agent on behalf of its members.

The Company is a private company limited by guarantee and is incorporated in England and Wales.

The company registration number is 01690026.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, unless otherwise specified within these accounting policies, and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK 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 3).

The following principal accounting policies have been applied:

**2.2 Going concern**

The financial statements have been prepared on a going concern basis. The directors have considered the results for the year, the Statement of Financial Position at the accounting date and reviewed forecasts, and are satisfied that the Company is in a position to meet its liabilities as they fall due for a period of at least twelve months from the date of signing these financial statements.

**2.3 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**2. Accounting policies (continued)**

**2.4 Income recognition**

The Company recognises income as it becomes legally entitled to it in the form of an administrative charge deducted from royalty payments distributed to members. The Company is only legally entitled to retain income equating to the expenditure incurred during the year, with the remainder held on account for repayment to the members.

**2.5 Administration charge on account**

The administration charge comprises:

- i) a charge to cover the administrative and running costs of the organisation
- ii) a charge to cover back office support provided to its members
- iii) interest income derived from the Company's bank account.

The difference between the administration charge collected and the revenue the Company is legally entitled to recognise as per note 2.4 is included in the balance sheet within undistributed licence fees (note 17 and 18), pending distribution to members.

**2.6 Operating leases**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.7 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

**2.8 Pensions**

**Defined contribution pension plan**

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 Statement of Comprehensive Income 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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**2. Accounting policies (continued)**

**2.9 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Computer software	-	33 % Straight line
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**2.10 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.

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.

Depreciation is provided on the following basis:

Leasehold improvements	- evenly over the lease term
Furniture and equipment	- 15%
Computer equipment	- 20 to 33.3%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

**2.11 Valuation of investments**

**Current asset investments**

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**2. Accounting policies (continued)**

**2.12 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.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

**2.13 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

**2.14 Distribution policy**

Royalties are allocated to members and rights holders for distribution in accordance with the Royalties Distribution Model of The Copyright Licensing Agency Limited "CLA". A copy of the current model can be accessed on the CLA website and is available on request from the Company.

**2.15 Other operating income and charges**

There existed in the year a licence agreement between CLA and three other licensees to share the general lease and other running costs associated with their joint office premises under separate legal agreements. The primary contractual responsibility over those costs lies with CLA. As a result, the Companies Act requires the company to reflect the distinct nature of these contracts in its financial statements, by separately disclosing the costs and associated license income within its Statement of Comprehensive Income. This licence agreement finished in January 2023 when the office lease expired.

Operating charges reflect the costs incurred by CLA subject to recharge under the license agreement, and Operating income reflects the license income received under the terms of the agreement with CLA's fellow licensees. As expected, given the nature of the arrangement, if taken together, the income and expenditure net off to a nil balance.

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**2. Accounting policies (continued)**

**2.16 Financial instruments**

The Company only enters into basic financial instruments and transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to and from related parties.

**(i) Financial assets**

Basic financial assets, including trade and other debtors are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

**(ii) Financial liabilities**

Basic financial liabilities, including trade and other creditors and accruals, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

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**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the year. However, the nature of the estimation means that actual outcomes could differ from those estimates.

In preparing these financial statements, the directors have had to make the following judgements:

i) Amortisation & impairment of intangible fixed assets

The amortisation policies of the company have been determined by reference to the period over which future cash flows are expected to be generated.

At each period end, the directors consider whether any of the capitalised projects should be impaired, either as a result of technical obsolescence or as a result of required changes.

ii) Depreciation of tangible fixed assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect the current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

iii) Distribution model

Distributions are made in line with the Company's distribution policy, which can be accessed on the CLA website and is available on request from the company, refer to 2.14.

iv) Debtor provision

The company makes an estimate of the recoverable value of trade and other debtors and accrued income. When assessing impairment of these balances, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 14 for the net carrying amount of the debtors.

**4. Other operating income**

	2023 £	2022 £
Other operating income	303,050	744,861
	<u>303,050</u>	<u>744,861</u>

Other operating income represents income from licensees as referred to in accounting policy 2.15.

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**5. Other operating charges**

Other operating charges represents costs contractually paid for by CLA that are subject to recharge under the license agreement as referred to in accounting policy 2.15.

**6. Operating deficit**

The operating deficit is stated after charging:

	<b>2023</b>	2022
	<b>£</b>	£
Depreciation of tangible fixed assets	<b>80,844</b>	90,455
Amortisation of intangible assets	<b>1,367,862</b>	1,468,211
Land and buildings - operating leases	<b>433,661</b>	295,751
Exchange differences	<b>11,331</b>	475
Defined contribution pension cost	<b><u>507,435</u></b>	<u>466,286</u>

**7. Auditors' remuneration**

During the year, the Company obtained the following services from the Company's auditors:

	<b>2023</b>	2022
	<b>£</b>	£
Fees payable to the Company's auditors for the audit of the Company's financial statements	<b>26,000</b>	23,500
<b>Fees payable to the Company's auditor and its associates in respect of:</b>		
All other services	<b><u>2,200</u></b>	<u>7,000</u>



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**8. Employees**

Staff costs, including directors' remuneration, were as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>6,011,538</b>	5,209,773
Social security costs	<b>671,151</b>	540,680
Cost of defined contribution scheme	<b>507,435</b>	446,286
	<u><b>7,190,124</b></u>	<u><b>6,196,739</b></u>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
Staff	<u><b>92</b></u>	<u><b>95</b></u>

**9. Directors' remuneration**

Key management personnel include all directors across the group who together have authority and responsibility for planning, directing and controlling the activities of the Company. Directors comprise the CEO, individual non-executive directors, and non-executive directors paid via their representative company. The total compensation paid is below:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	<b>318,367</b>	285,067
Company contributions to defined contribution pension schemes	<b>22,516</b>	20,715
	<u><b>340,883</b></u>	<u><b>305,782</b></u>

During the year there were no retirement benefits accruing to any director (2022 - nil) in respect of defined contribution pension schemes.

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The emoluments of the directors are as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>CEO</b>		
Emoluments and other remuneration	181,983	169,849
Pension contributions (to a defined contributions scheme)	22,516	20,715
	<b>204,499</b>	<b>190,564</b>
 <b><i>Fees paid to Non-Executive Directors (received as individuals)</i></b>		
F 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	-
	<b>111,996</b>	<b>96,644</b>
 Benefits		790
 <b><i>Fees paid to Non-Executive Directors (received indirectly via service company)</i></b>		
S Lotinga	3,605	10,300
Mark Majurey	10,815	6,008
Andrew Freeman	7,210	-
	<b>21,630</b>	<b>16,308</b>
 <b>Total payments to Directors</b>	<b>338,125</b>	<b>304,306</b>

Benefits to the non-executive directors include reimbursement through the payroll for the travel and subsistence costs from their home to/from CLA, and the tax thereon.

The other non-executive directors were not paid directly by CLA for their services as directors, and instead the companies they represent were paid equivalent fees.

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**10. Interest receivable**

	2023 £	2022 £
Other interest receivable	138,549	43,140
	<u>138,549</u>	<u>43,140</u>

**11. Taxation**

	2023 £	2022 £
Adjustments in respect of previous periods	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>Total current tax</b>	<u>-</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(37,203)	(68,287)
Losses and other deductions	34,550	11,296
	<u>(2,653)</u>	<u>(56,991)</u>
<b>Total deferred tax</b>	<u>(2,653)</u>	<u>(56,991)</u>
	<u>(2,653)</u>	<u>(56,991)</u>
<b>Taxation on loss on ordinary activities</b>	<u>(2,653)</u>	<u>(56,991)</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is the same as (2022 - the same as) the standard rate of corporation tax in the UK of 19% (2022 - 19%) as set out below:

	2023 £	2022 £
<b>Effects of:</b>		
Deferred tax	(2,653)	(56,991)
	<u>(2,653)</u>	<u>(56,991)</u>
<b>Total tax charge for the year</b>	<u>(2,653)</u>	<u>(56,991)</u>

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**11. Taxation (continued)**

**Factors that may affect future tax charges**

The UK Government announced its intention to increase the rate of UK corporation tax from 19% to 25% with effect from 1 April 2023 for companies with augmented profits of greater than £50,000. The increase in the rate of UK corporation tax was enacted in the Finance Act 2021 which received Royal Assent on 10 June 2021.

**12. Intangible assets**

	<b>Computer software £</b>
<b>Cost</b>	
At 1 April 2022	5,459,936
Additions - internal	866,474
	<hr/>
At 31 March 2023	6,326,410
	<hr/>
<b>Amortisation</b>	
At 1 April 2022	3,206,840
Charge for the year	1,367,862
	<hr/>
At 31 March 2023	4,574,702
	<hr/>
<b>Net book value</b>	
At 31 March 2023	<u>1,751,708</u>
<i>At 31 March 2022</i>	<u><u>2,253,096</u></u>

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**13. Tangible fixed assets**

	Leasehold improvements £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 April 2022	158,709	135,869	76,061	370,639
Additions	-	39	74,467	74,506
Disposals	(158,709)	(135,908)	-	(294,617)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2023	-	-	150,528	150,528
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 April 2022	126,967	96,566	45,540	269,073
Charge for the year	31,742	7,155	41,947	80,844
Disposals	(158,709)	(103,721)	-	(262,430)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2023	-	-	87,487	87,487
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 31 March 2023	-	-	63,041	63,041
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 March 2022</b>	<u>31,742</u>	<u>39,303</u>	<u>30,521</u>	<u>101,566</u>

**14. Debtors**

	2023 £	2022 £
Trade debtors	6,525,739	6,497,668
Other debtors	172,092	321,829
Prepayments and accrued income	3,875,533	3,554,888
Tax recoverable	2,043,581	2,183,641
Deferred taxation	242,998	240,345
	<hr/>	<hr/>
	<u>12,859,943</u>	<u>12,798,371</u>

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**15. Current asset investments**

	2023 £	2022 £
Cash deposits	<u>7,014,652</u>	<u>5,025,000</u>

**16. Cash and cash equivalents**

	2023 £	2022 £
Cash at bank and in hand	<u>12,923,723</u>	<u>11,266,834</u>

**17. Creditors: Amounts falling due within one year**

	2023 £	2022 £
Undistributed licence fee creditor	25,312,922	23,089,902
Trade creditors	412,201	531,160
Other taxation and social security	170,110	205,573
Administration Charge on Account	5,990,962	5,298,059
Other creditors	581,973	430,522
Accruals and deferred income	2,144,899	1,614,651
	<u>34,613,067</u>	<u>31,169,867</u>

Undistributed licence fees are matched by amounts included within cash at bank and in hand.

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**18. Administration Charge on account**

Undistributed licence fees are matched by amounts included within cash at bank and in hand.

The administration charge on account is analysed as follows:

		2023 £	2022 £
Balance at 1 April 2022/21		5,298,059	6,467,554
Administration charge earned from gross licence fees		12,797,763	11,765,850
Net interest receivable	10	138,549	43,140
Corporation tax credit	11	2,653	56,991
Administration on account distributed		-	(2,250,000)
Administration charge from provision of back office services		139,523	148,735
Transfer to statement of comprehensive income		(12,385,585)	(10,934,211)
<b>Balance at 31 March 2023/22</b>		<b>5,990,962</b>	<b>5,298,059</b>

		2023 £	2022 £
United Kingdom		10,668,697	9,896,290
Europe		929,431	942,905
USA and Canada		775,950	601,915
Rest of the World		423,685	324,740
		<b>12,797,763</b>	<b>11,765,850</b>

The geographical analysis above is in respect of the administration charge collected in the year, not that recognised per the revenue recognition policy.

**19. Deferred taxation**

	2023 £
At beginning of year	240,345
Charged to profit and loss account	2,653
<b>At end of year</b>	<b>242,998</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**19. Deferred taxation (continued)**

The deferred tax asset is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	194,805	141,536
Tax losses carried forward	48,193	82,743
Short term timing differences	-	16,066
	<u>242,998</u>	<u>240,345</u>

**20. Provisions**

	Provision £
At 1 April 2022	275,000
Utilised in year	(275,000)
	<u>-</u>
<b>At 31 March 2023</b>	<u>-</u>

The company had recognised a provision for dilapidations associated with the operating premises. This provision was entirely utilised upon the company's departure from the premises during the year.

**21. Company status**

The Company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the Company in the event of liquidation.

**22. Pension commitments**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £507,435 (2022: £466,286). Contributions totalling £Nil (2022: £64,263) were payable to the fund at the reporting date and are included within other creditors.



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**23. Commitments under operating leases**

At 31 March 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	358,441	601,878
Later than 1 year and not later than 5 years	283,894	12,808
	<u>642,335</u>	<u>614,686</u>

**24. Related party transactions**

CLA operates as an agent for its members, ALCS, PLS, DACS and PICSEL.

The distribution of licence fees collected net of CLA administration are as follows:

	2023 £	2022 £
<b><i>Licence fees collected net of CLA administration charge</i></b>		
ALCS	27,549,474	26,665,189
PLS	39,374,447	38,379,684
DACS	4,316,156	4,655,953
PICSEL	787,767	850,546
	<u>72,027,844</u>	<u>70,551,572</u>

Amounts collected but not yet paid to ALCS, PLS and DACS at 31 March 2023 are included within undistributed licence fees (see note 18).

PLS and ALCS also shared office space with CLA during the year and purchased some administration services from CLA, with a total charged during the year of £267,299 (2022: £675,272), which is reported within Other operating income. At 31 March 2023 the outstanding balance was £41,347 (2022: £130,106) which is reported within other debtors.

See note 9 for disclosure of the directors' remuneration.



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