



## *Annual Report for 2003*

### **Chairman's Statement**

Our major achievement this year reflects CLA's success in growing revenue from business operations and government departments. Overall, the total of £14.5 million in allocated revenue looks very close to the 2001/02 figure of £14.4 million, but last year's total (the PLS financial year ends on 30 September) included a large backlog from higher education.

The largest new component comes from the £1.4 million distributed from the National Health Service. Renewals and new licences in other business sectors did well, too, with banks and building societies, and pharmaceutical company licences each contributing over £300k.

The schools' element of education has remained steady at £3.3 million, while higher education income (ignoring the backlog) shows a sound increase of 11.3%, despite the removal of the separate CLARCS element. Fees from further education were £1.7 million and the new 12-month trial licence (which includes scanning) in may bring some long-term growth.

This year has seen some changes to personnel both in executive staff and membership of the PLS Board. Jens Bammel left us at the end of August to join the International Publishers Association as their Secretary General. His five years as PLS Chief Executive represent a major achievement and a substantial contribution to our work, as reflected in both revenue growth and negotiations successfully completed. We look forward to welcoming his successor, Dr Alicia Wise, who joins us in January 2004.

On our Board, we express our gratitude to Andrea Powell, whose role as one of ALPSP's directors has passed to Martin Richardson, Publishing Director of the journals division at Oxford University Press. Maurice Long has agreed to become PLS's Chairman in January when I complete my term as chair of the Board.

PLS faces some important challenges in the months ahead. A significant number of the licences that CLA now offers include provision for scanning of printed material. We will be watching closely to see if the strong growth of revenue that has been the hallmark of the last few years can continue. This statement and report are being compiled against the background of the new copyright legislation, finally enacted by the government as a statutory instrument on 31 October. Though largely good news for rights owners, there are developments at the European level on collective licensing that will need close monitoring.

I am confident that our small committed executive team of staff and consultants can continue to work with CLA in maximising licence revenue, and distributing it to you promptly and accurately.

Robert Kiernan  
Chairman  
Publishers Licensing Society  
November 2003

### **Publishers' Revenue**

Publishers allocations remained stable at £14.5 million compared with £14.4m last year. Comparisons between these figures need to be treated with some care. This year PLS began to receive fees from the Copyright Licensing Agency for the National Health Service licence, while last year included the backlog of fees from Higher Education. As mentioned last year the CLA revenue is now being top sliced (from 1 April 2002) following the agreement with the Design and Artists Copyright Society. This is first full year in which some licences have reflected this 8% share.

The first payments from the National Health Service amounted to £1.38 million. The first three years of money covering April 2001 to March 2004 is being distributed in four blocks to give the CLA time to gather the data on which to base the allocations. Fees this PLS financial year are equivalent to about 17 months of the overall total.

The total fees from education were £7.4 million. The schools licence raised £3.3 million and was roughly equal with last year. Money from further education was up to £1.7 million from £1.4 million, an increase of 18%. This is due to some increase in fees following full implementation of the DACS agreement, plus a change in invoicing which means that these fees cover roughly fourteen months. At first sight higher education is down £2.4 million from £3.4 million, but last year's figure showed an increase when the fees withheld during the copyright tribunal were paid out. As a result of the Tribunal decision CLARCS course pack clearances – which had been bringing in about £400k annually – were discontinued. A year-on-year comparison of Higher Education blanket fees and CLARCS gives an increase of about 11.3%. HERON, the scanning course pack licence, brought in £27k, a decrease of 18% from last year's £33k.

Overall business fees show an increase of 37.8%. Renewals from business were £1.7 million up £500k from last year's £1.2 million. The new business licence which was introduced in October 2002 permitted scanning for an increased fee and fees from these new licences are now being paid out. Last year while the negotiations over the DACS agreement were completed there were some delays in invoicing fees. In this financial year some of the back payments were received. Sectors bringing in more than £100k per year are banks and building societies (£392k) and other financial businesses such as insurance (£175k), legal (£206k), manufacturing (£191k) and pharmaceutical (£368k) companies. New licences in the banking and pharmaceutical sectors brought in nearly £50k each. New business licences have brought in nearly £200k, up from £142k last year and business CLARCS has brought in £238k up 51.8% from £157k.

British Library fees decreased by 30% from £623k to £432k but last year's fees had covered an 18 month period. A comparison of the adjusted figures gives £432k compared with £422k. Only six months of government money was distributed giving a total £250k, plus £39k from new licences. The government licence is now under review.

Foreign revenue at £2.85 million shows a slight increase from last year's £2.78 million. Money from the USA continues to be the major source of overseas revenue with the Annual Authorisation Service (£483k), the Academic Permissions Services (£186k) and the Transactional Reporting Service (£114k) raising £783k in total, however this was down to almost half the previous year's £1.51 million. This is mainly due to phasing with six months less revenue received this year from each of the licence types. There were large increases in revenue from Germany (£273k up from £82k) and Norway (£569k up from £164k) and the first payment for three years from Finland (£90k). Money from the Netherlands (£127k) was the first payment for two years. Fees from Canada, France, New Zealand, South Africa, Spain and Sweden also increased.

## **Associations**

**Publishers Association, 29b Montague Street, London WC1B 5BH. Chief Executive: Ronnie Williams**

The Publishers Association seeks to give the £4 billion book and journal publishing industry strength and unity on common problems by representing the interest of over 200 British publishers. Its priorities include protecting copyright interests world wide (especially the fighting of piracy), tackling European opportunities and threats, campaigning against the imposition of VAT on books and journals, maintaining the wide availability of books and journals to world markets, and analysing market trends on behalf of its members. Recent achievements include the campaign to win additional funds for school books, the initiative to gain extra resources for students and libraries in tertiary education, working with government agencies to deliver new e-learning solutions, and providing exhibition and export services and information for publishers.

**Periodical Publishers Association, Queens House, 28 Kingsway, London WC2B 6JR. Chief Executive: Ian Locks**

The Periodical Publishers Association is the organisation representing publishers in the £6.2 billion consumer, consumer specialist, business to business and professional magazine sector in Britain. Its 350 members produce more than 2,300 magazine titles which account for over 80 per cent by volume and value of magazine publishing in the UK. The aim of PPA is to promote and protect the interests of magazine publishers. The association's 30-member board represents most major publishing houses, as well as the interests of small and medium-sized companies. The 35-strong secretariat employs specialist staff who deal with advertising, marketing, circulation, credit control, copyright, production and training issues, as well as political lobbying, and advice to members as required.

**Association of Learned & Professional Society Publishers, South House, The Street, Clapham, Worthing, West Sussex BN13 3UU. Chief Executive: Sally Morris**

The Association of Learned and Professional Society Publishers - ALPSP - serves, represents and strengthens the community of not-for-profit publishers, demonstrating their essential role in the future of international academic and professional communication. Founded in 1972, the membership now comprises over 220 organisations worldwide, covering the humanities as well as the sciences. Professional development, copyright issues and representation are central priorities for the Association. In addition to regular meetings, seminars and training courses, the annual International Learned Journals Seminar deals with topics of wide interest. The Association is also tackling the major issues facing members in the field of electronic publishing and electrocopying. Many of the issues are debated in the quarterly peer-reviewed journal, *Learned Publishing*.