PICSEL Annual Transparency Report (ATR) for 2024

The purpose of this ATR is to provide information about the activities of PICSEL for the financial year ending 31 December 2024 in compliance with the Collective Management of Copyright (EU Directive) Regulations 2016 (“Regulations”), transposed into UK law on 24th February 2016. The information in this report is drawn from the Annual Report and Financial Statements for PICSEL for the year ended 31 December 2024.

This ATR, the Annual Report and PICSEL’s Financial Statements are published on PICSEL’s website, www.picsel.org.uk. They are updated on an annual basis.

About PICSEL

PICSEL is a not-for-profit private company limited by guarantee (Reg. No. 9899186) and is a collective management organisation (CMO) run by and for its members, who are creative rights holders, and their representatives.

In accordance with the Regulations PICSEL recognises a rights holder as:

Any person or entity other than a CMO that:

- holds a copyright or related right, or
- under an agreement for the exploitation of rights or by law is entitled to a share in the rights revenue.

PICSEL was created by rights holders for rights holders and is governed by a board of directors, the majority of whom are members and all of whom are elected by the members. Under the articles of association, the board is also permitted to appoint non-members as directors where appropriate, subject to ratification by members at the General Assembly. Currently, we have one independent director who is not a member.

As a not-for-profit organisation, PICSEL operates in the interests of all its members to ensure fair, equal and timely distribution of revenue.

PICSEL Governance

During 2024 the Board of Directors comprised:

John Balean – Topfoto (Chair)
Paul Brown – Mary Evans Picture Library Jonnie Leger – AKG-images
Adele West – Bridgeman Images
Jonnie Leger – akg-images
Denise Swanson – Individual Creator Member
Florian Koempel – Independent Non-Executive Director
Matthew Bailey – Independent Non-Executive Director
Trevor Jennis McDermott – GAP Photos
Alan Capel – Independent Non-Executive Director
Paul Seheult – Eye Ubiquitous (CEO)

Financial Report

- Overall, there was a 7.2% increase in cash receipts with a 7.2% increase in cash distributions.
- Rightsholder representation rose by 5.6%.
- Revenue was above expectation with individual images being allocated over £5,096. Individual rights holders' allocations ranged from the minimum of £25 to over £25,000. These were all once again being above industry reports.

To comply with the transparency requirements of the Regulations regarding this ATR, and in particular clause 21 (4) (i) that financial information on the costs of rights management and other services be provided by the collective management organisation to rightsholders, we can confirm that the percentage of costs in relation to rights revenue for 2024 was 11.79%. Further, to comply with 21 (4)(i)(ii) (breakdown of costs attributable to the management of rights) the total cost was £115,264 or 88.14%. With regard to 21 (4)(i)(iii) (breakdown of costs attributable to services other than the management of rights) the total cost was £15,510 or 11.86%.

The Board note that there are some timing differences between some of the figures disclosed in the Annual Transparency Report and the statutory accounts. This is due to the accounting treatment of certain items on an accrual's basis rather than on a cash basis.

Note on Distribution change

From April 2023 payments CLA revenue distribution to VACMOs changed from a single annual payment to a monthly payment to be in line with distributions to the other members of CLA, namely ALCS and PLS.

These payments are based on the market share of the previous year. However, the market share changes every year as it is dependent on the claims made by the VACMOs. An adjustment is then made based on the new market share, which will then also be applied to the monthly payments going forward.

In the interests of transparency, the monies received throughout the CLA financial year of 1st April 2023 to 31st March 2024, relating to licence period of 1st January to 31st December 2023 and distributed in RightShare® 2024 were treated as advance payments as will all future payments.

CLA Market Share

PICSEL's market share for CLA and PLS distributions is calculated by an independent auditor appointed by the CLA.

Our market share increased slightly to 13.8622%. PICSEL's share of the total CLA distribution remained fairly static at 14.24% from 14.4% in 2023. This was due mainly to continued success with matched data allocations.

PICSEL members continue to embrace the data driven model for revenue distribution, and it has proved a greater success for PICSEL members than expected.

- PICSEL members' claims represented 25.5% of all matched titles, down slightly from 26.6% in 2023.
- 31.13% of images claimed by PICSEL members matched CLA data, slightly down from 34.65% in 2023 whilst PICSEL members only represented 5.75% of all images claimed, a slight increase on 5.58% in 2023.

PLS Market Share

The total PLS distribution to all VACMOs rose by 9.22% over 2023. PICSEL's share of this total distribution was up slightly to 17.08% from 17.03% in 2023.

- PICSEL members' claims represented 29.68% of all matched titles, down from 32.69% in 2023.
- 32.69% of images claimed by PICSEL members matched PLS data, down from 35.89% in 2023.

Remuneration of Chief Executive Officer and Board of Director

Paul Seheult (Chief Executive Officer)	Total remuneration £45,038*
John Balean (Chair)	Fees Received as a PICSEL Director £5,000
Adele West (Director)	Fees Received as a PICSEL Director £1,000
Paul Brown (Director)	Fees Received as a PICSEL Director £1,000
Jonnie Leger (Director)	Fees Received as a PICSEL Director £1,000
Denise Swanson (Director)	Fees Received as a PICSEL Director £1,000
Florian Koempel (Director)	Fees Received as a PICSEL Director £1,000
Matthew Bailey (Director)	Fees Received as a PICSEL Director £1,000
Alan Capel (Director)	Fees Received as a PICSEL Director £1,000
Trevor Jennis McDermott (Director)	Fees received as a PICSEL Director £1,000

**Includes £3,000 inclusive rent charged to PICSEL at a fair market rate and £1,705 pension contributions.*

RightShare® - Distribution of Revenue

Revenue came from collective management schemes for Visual Artists operated by the CLA (Copyright Licensing Agency), PLS (Publishers' Licensing Services), ERA (Education Recording Agency), IVARO (Irish Visual Artists Rights Organisation).

PICSEL made a subvention of 15% for its administration costs on all distributions.

In 2018 it was agreed that any reasonable surplus should go towards a reserve and contingency fund for the benefit of members. The Board therefore agreed to implement a provision of £48,426 for non-distributable amounts for 2024, which has been partially offset by £20,644 being utilized from the 2018 provision, bringing the total provision to £294,944. The 2018 provision is being used to fund the Picsel-id project for the benefit of our members. In accordance with the obligations of the company under the Collective Management of Copyright (EU Directive) Regulations 2016, the provision is subject to a six- year cap under the Limitations Act, after which the amounts will be distributed to current members.

PLS Annual Distribution (Royalties received in 2024 for 2023 licensing period)

Revenue*	Net	% of Total PLS Distribution	Paid to Members	Subvention
Matched Data	£27,808	21.99%	£23,637	15%
Unmatched Data	£44,193	15.27%	£37,564	15%
Total	£72,001	17.08%	£61,201	15%

*Collective license revenue generated through business licenses raised by NLA on behalf of PLS.

CLA Annual Distribution (Royalties received in 2023/2024 for the 2023 Licensing Period)

Revenue**	Net	% of Total CLA Distribution	Paid to Members	Subvention
Matched Data	£330,833	14.91%	£281,208	15%
Unmatched Data	£544,794	13.86%	£463,074	15%
Total	£875,627	14.24%	£744,282	15%

**Collective license revenue generated by educational, government and business licenses generated by CLA, document delivery and payments from overseas RROs.

An Exceptional Distribution was made by CLA during 2024 and was included in the unmatched distribution for 2024.

Revenue received in 2024 from CLA	Net	% of Total CLA Distribution	Paid to Members	Subvention
Exceptional Distribution	9,882	NA	8,399	15%

TV Annual Distribution Royalties (Royalties received in 2023-24 for licensing period 2023 from ERA) and payment from IMRO in the Republic of Ireland through DACS for 2023.

Revenue***	Net	% of Total ERA Distribution	Paid to Members	Subvention
ERA	£33,984	NA	£28,886	15%
IMRO	£8,281	NA	£7,038	15%

*** Under our agreement with DACS, whereby a market share is calculated annually by an independent auditor, the original payment from ERA was adjusted and £7,283.76 was received from DACS. The income relating to this distribution was received in both 2023 and 2024 and adjusted through the DACS agreement in July 2024 in time to be included in the main RightShare® 2024 distribution.

An historic TV payment for Australia was received through DACS relating to license revenue up to the end of 2016 and distributed in 2024.

Revenue received in 2024 from DACS for Australian TV up to the end of 2016	Net	% of Total	Paid to Members	Subvention
Historic Payment	30,019	NA	25,516	15%

IVARO Annual Distribution (Royalties received in 2024 for 2023 licensing period)

Revenue	Net	% of Total IVARO Distribution	Paid to Members	Subvention
RETURN****	£22,327	NA	£18,978	15%

****RETURN is a service for distributing reprographic royalties to visual creators. Reprographic royalties are collected from universities, schools and businesses in the Republic of Ireland that use photocopying machines.

Deductions for social, cultural and educational services

There were no deductions for social, cultural and educational services during this reporting period.

Refusals to grant a license

We have not refused to grant a license during this reporting period.

Income arising from investment of rights revenue

There was £12,827 income arising from investment of rights revenue during this reporting period.

General distribution policies

Distribution of this revenue is outlined in PICSEL's Distribution Policy which is available in full on our website www.picsel.org.uk

However, the principles, and execution, can be briefly summarised.

The PICSEL Board, working with the Distribution Committee, is responsible for the formulation and implementation of the Distribution Policy and is required to ensure that the policy is fair, transparent and cost effective. It will regularly review the policy in response to:

- Any changes in the terms of the licences;
- Any change in the availability of data that has the potential to impact upon a distribution;
- Member satisfaction with the current policy.

CLA and PLS Licence revenue in 2024 was allocated to PICSEL in the following ways:

- 60% to unmatched educational claims
- 70% to unmatched non-educational claims
- 40% to matched educational claims
- 30% to matched non-educational claims

The Distribution Committee has advised the Board that revenue allocated to titles in the matching process should be paid to those titles following the principle of revenue following rights, and that the availability allocation should be shared out amongst claimants based on the number of uses claimed for.

All claims from all rights holders are treated equally without discrimination or prejudice to ensure PICSEL's principles of ensuring fair, equal and timely distribution of revenue to rights holders.

REPORT ON ACTIVITIES

2024 AGM

This year we were pleased to have the CEO of the CLA, Mat Pfleger, as our keynote speaker. Mat gave a clear outline of CLA's plans for generative AI that would include our members, followed by a lively Q&A. Mat also graciously stayed behind afterwards to talk to a lot of members.

There followed a presentation on PICSEL-id followed by an informed Q&A in the room and with online attendees.

Before the main AGM there was the traditional Claims Workshop, with an emphasis on maximizing PICSEL-id.

The AGM was observed by a representative from the IPO to ensure compliance with The Regulations.

79% of members voted either in person, or through proxy forms, on the formal resolutions of:

- Accepting the accounts to the year ended 31st December 2023.
- Accepting that Carpenter Box, Chartered Accountants, be reappointed as the Company's auditors.
- Accepting the 2023 Annual Transparency Report.
- Accepting the Minutes of the 2023 AGM.

All 79% voted to accept all formal resolutions with no abstentions.

The CEO, Paul Seheult, then gave his presentation outlining the growth of rightsholder representation by VACMOs from 20,000 in 2016 to 120,000 in 2024; the relative stagnancy of the revenue available to all VACMOs in that period.

However, he was able to show that PICSEL members had managed to retain 62% of their income from collective licensing in that period which compared favourably with others.

He brought members up to date with AVLA, which had begun licensing, and The Smart Fund's lobbying activities.

Much of his report was related to the new member benefit, PICSEL-id, and he was able to introduce to members the team working on the project after 25% of members took part in a webinar presentation of PICSEL-id in the summer.

Headlines of the Survey carried out with members earlier in the year on their attitude and experience of AI was received with interest.

BAPLA

After discussions with the BBC over more than a year the Board decided to withdraw endorsement of the GPA which was clearly not working for anybody as argued by many PICSEL members.

CEPIC

We continue to be involved with CEPIC's lobbying in Brussels around the implementation of the EU AI Act. With the passing of the Act, a Code of Practice was required. The problem is that each iteration became worse than the earlier one and it was felt that no code was better than a bad code.

There is clearly more progress being made in the EU than the UK with legislation passed and mechanisms for implementation being sought, whilst the UK continues to try and find the ground rules to begin the process.

The annual CEPIC conference was held in Juan-les-Pins in the South of France with a theme of "Authenticity In The Age Of AI". A clear divide between Stock agencies and others emerged over the issue of authenticity with a very laissez faire attitude being adopted by stock agencies, particularly those in the USA.

The keynote speech was given by Craig Peters, CEO of Getty Images. He made clear the issues facing the industry, many self-imposed through a highly individualized and fragmented environment. "We need to have a very real and stark conversation … and start working like an industry."

Apart from lobbying much of the year for the CEPIC Board, on which we sit, was taken up with rebranding, a new website and planning for CEPIC 2025.

IFRRO

There are two annual conferences for IFRRO. The Mid-Year Conference in late Spring and the World Conference in Autumn. Our main interests are in the European, Authors and Visual Working Groups together with the Equipment Levy Forum which keeps us informed for The Smart Fund.

The Mid-year conference was held in Valencia, Spain, with AI dominating the programme. For visual arts CMO there was clear caution about moving ahead with licensing for AI. There is no reluctance to license, quite the opposite, but there needs to be more transparency.

CLA announced they will be launching their TDM license in the summer, to be followed by a Workplace AI license towards the end of the year, possibly in 2025. These are opt-in for publishers and opt-out for authors and visual artists. CLA member CMOs consulted with their members through surveys during the year.

The World Annual Conference was held in Quebec, Canada, where AI continued to dominate. Every session listed the countless legal cases currently in progress related to AI. The working groups of interest to us provided valuable updates form Valencia.

Membership

Membership continues to grow annually by roughly 5%.

Rights Valuation

This continues to be on hold, for a variety of reasons, but that is at convergence with the recommendations of the FTI Determination of 2015 which said that regular reviews should take place. Much to our disappointment, these regular reviews have not progressed beyond scoping meetings in 2022.

Creators Remuneration

Following an appearance by its members in front of the DCMS Parliamentary Select Committee in 2023, The Smart Fund concept was endorsed in the Committee's report to the Government. So too was the idea of a Freelance Commissioner proposed by ALCS.

The IPO began discussions with Smart Fund members.

In December SCOOP was launched. This is a collaborative, cross industry solution to sustain news journalism in the UK from ALCS, DACS, PICSEL and the NUJ.

During 2024 AVLA began licensing hotels for making broadcasts available to the public. The process is slow with opposition in some quarters.

IPO CMOs

With the The Retained EU Law (Revocation and Reform) Act 2023, from 1st January 2024 the seven smaller CMOs were not required to audit their ATR. If they chose to take up this option, they would save the cost of a second annual audit. The PICSEL Board decided not to take up the offer as the audit confirms our transparency to other CMOs that we work with in the UK and internationally.

In the first quarter of the year the pursuit of a voluntary AI Code of Practice was abandoned by the IPO as the differences between rightsholders and tech were too great to be resolved voluntarily.

The idea of opt-out starts to gather pace in the EU and is closely followed by the UK, however this would be a radical departure from UK copyright law and individual creators would not have the ability to ensure opt-outs are effective and working. Nevertheless, it appeals to the IPO in the absence of a voluntary code of practice. IPO will work with DSIT and DCMS on a solution.

The General Election halted all work on AI by ministries, and the new Government took time to settle in with its own policy going forward. It soon emerged that AI would be given priority in planning as with the previous government, and they would also be seeking a solution for AI developers who they see as the drivers to grow the UK economy.

By the end of the year there were much improved relations with EU counterparts following years of disconnect due to Brexit. Doors were opening to discussions and note sharing, which became visible in a clear but unstated alignment of policies.

Artificial Intelligence

The EU AI Act consumed the first half of the year, with proposed wording causing even more uncertainty, but became law in August. Implementation will not take place until mid-2026 with more questions than answers emerging.

The global debate moved onto generative AI output, and whether it was eligible for copyright protection. Courts on all continents came to different conclusions which simply compounded what is becoming an unanswerable question.

For the second year in a row, whilst the creative sector seeks recognition and implementation of copyright laws, the tech sector continues to relentlessly carry on with scant regard for the law, and with apparent impunity.

The actions of tech means that it will become increasingly difficult to distinguish between human and machine produced work as AI becomes embedded in the creative process.

The idea of opt-out starts to gather pace in the EU and is closely followed by the UK, however this would be a radical departure from UK copyright law and individual creators would not have the ability to ensure opt-outs are effective and working. The view begins to grow that opting out is simply tuning out.

Increasingly tech solutions are being sought for a tech generated problem, and it is not tech who will pay for any solution. The photo library industry can attest to the reality that each new level of technological standard is expensive and makes it increasingly impractical for creators.

The result is a continued growth in courtroom action around the world, although events in the CJEU and across the USA are of most interest. Without leadership from the top there can only be litigation.

In November CRAIC, Creative Rights In AI Coalition, was launched with 74 organisations as members. Drawn from all sectors of the creative sector they launched the Make It Fair campaign. The principles focus on a dynamic licensing market with robust protections for copyright, control and transparency for content creators, and driving growth and innovation in the creative and tech sectors.

In December the IPO launched an Open Consultation on Copyright and Artificial Intelligence.

Acronyms in this Report

AGM – Annual General Meeting
AI – Artificial Intelligence
ALCS – Authors' Licensing and Collecting Society
ATR – Annual Transparency Report
AVLA – Audiovisual Licensing Alliance
CEO – Chief Executive Officer
CEPIC – Centre of the Picture Industry
CJEU - Court of Justice of the European Union
CLA – Copyright Licensing Agency
CMO – Collective Management Organisation, commonly known as a collecting society
CRAIC – Creative Rights in AI Coalition
DACS – Design and Artists Collecting Society
DCMS – Department for Digital, Culture, Media & Sport
DSIT – Department for Science, Innovation and Technology
ECL – Extended Collective Licensing
ERA – Educational Recording Agency
EU – European Union
FTI – FTI Consulting
IPO – UK Intellectual Property Office
IFRRO – International Federation of Reproduction Rights Organisations
IMRO – Irish Music Rights Organisation
IVARO – Irish Visual Arts Rights Organisation
NLA – Newspaper Licensing Agency
NUJ – National Union of Journalists
PLS – Publishers' Licensing Services
REUL – The Retained EU Law (Revocation and Reform) Act 2023 (REUL)
TDM – Text and Data Mining
VA – Visual Artists
VACMO – Visual Artists Collective Management Organisation

REPORT OF FACTUAL FINDINGS

To the directors of Picsel Limited

We have performed the procedures agreed with you and enumerated below with respect to the annual transparency report of Picsel Limited for the year ended 31 December 2024. Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedure 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 Collective Rights Management Directive.

We have carried out the agreed procedures as detailed in the 'Guidance on the collective management of Copyright (EU Directive) Regulations 2016: supplementary guidance on annual transparency reports and audit' issued by the Intellectual Property Office in October 2017. In relation to the breakdowns required by regulation 21(4) (g) to (k) our work was limited to the accounting information used to develop the breakdowns, and our work did not cover the merits of the decisions taken by Picsel Limited in order to allocate e.g. income or costs to particular categories, but was designed to ensure that the financial information presented as a result of these decisions is consistent with both the underlying books and records and the disclosed methodology.

We performed the procedures as set out in the guidance with no matters to report.

Although the above procedures 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 December 2024.

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), other matters 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 Picsel 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 Picsel Limited for any other purpose whatsoever. Our report was not prepared for the benefit of any party other than Picsel Limited. Carpenter Box 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.

CarpenterBox.

Carpenter Box **Date:** 30 September 2025

Chartered Accountants

Worthing

Carpenter Box is a trading name of Carpenter Box Limited