

**2021**



**PPCA ANNUAL  
REPORT**

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# HIGHLIGHTS

**PPCA licensors and registered artists and groups continued to increase in 2020-2021, maintaining our unbroken succession of growth in that area since 1990. Unfortunately, as a result of the impact of the pandemic, revenue and the resulting distributable surplus fell in 2020/2021**

- Income down by **8%** to 43,673,584
- Distribution down by **9%** to 36,411,530

The PPCA Trust approved **16** applications for funding:

- **15** related to further education and research
- **1** to festivals, live music and local artists

# CHAIRMAN'S REPORT

2021 has been another challenging year for all of us.

The December 2020 distribution saw just over \$40M allocated to Licensors and Registered Artists. As previously reported this was a significant fall on the previous year's distribution, for two reasons – (i) some one off back payments that favourably impacted the comparable FY18/19 distribution, following the conclusion of a Tribunal matter, and (ii) the impact of the COVID-19 pandemic on revenues, particularly in the April – June 2020 quarter.

The persisting COVID-19 crisis, resulting in widespread lockdowns and associated venue closures, continued to impact PPCA public performance revenues throughout the 2020/21 financial year, to an even greater degree. Overall revenue for the year fell to \$43.7M and the distributable surplus, due for allocation in December 2021, to \$36.4M.

Throughout this difficult period, in collaboration with our OneMusic Australia partners APRA AMCOS, PPCA has continued to exercise forbearance when dealing with licensees in regard to their individual circumstances as a result of the COVID restrictions. This has included suspending debt collection and waiving licence fees for individuals and businesses whose activities have been severely impacted by restrictions and lockdown.

Despite a very challenging year, and unprecedented disruption, the PPCA team was able to conduct business as usual while working from home and, happily, there are some positive things to report:

- Having farewelled outgoing CEO Dan Rosen in December 2020, in February we welcomed Annabelle Herd. I would like to congratulate Annabelle on her first 6 months at the helm during what has been, in many ways, an unusually difficult year.
- PPCA's artist and label registrations continue to steadily increase.
- We were able to partner with the Australia Council and double the number of \$15,000 sound recording grants provided this year under our partnership program. Since its inception this program has provided an amazing \$675,000 in creative grants to Australian musicians.
- We have also been able to continue to support Australian artists through relationships with, amongst others, Support Act Limited (the music industry benevolent scheme).
- We also continued the encouragement of developing artists through our sponsorship of the Breakthrough Artist Awards at both the AIR and ARIA Awards (for the sixth and tenth consecutive year respectively). We have also increased our funding commitment to Sounds Australia.
- The transition of PPCA's public performance licensing to OneMusic Australia is finally complete. We continue to collaborate with APRA AMCOS on potential licence schemes and the evolution of existing schemes currently offered by OneMusic.
- PPCA was able to advocate on behalf of the sector in respect of COVID-19 relief and revitalisation, helping to secure important funding for Support Act to aid its crisis relief activities. We also successfully lobbied for the expansion of business support packages offered by the Federal, New South Wales and Victorian Governments, ensuring that financial aid is provided to many additional workers within the Australian music industry who were previously excluded from accessing support due to ineligibility.
- In response to Dr Jeff Crabtree's report into workplace harassment in the music industry in Australia and New Zealand in May 2021 PPCA also played a key part in facilitating the coming together of an industry group for an initial conversation around driving cultural change.

I would like to take this opportunity to thank Lindy Morrison for her service to PPCA over many years. Lindy first joined the Board in 1994, when it was expanded to include artist representatives, and has enjoyed a phenomenal run successfully contesting the biennial artist election process ever since. During her 27 year term Lindy has been a passionate advocate for the Australian music industry and, most particularly, recording artists and PPCA.

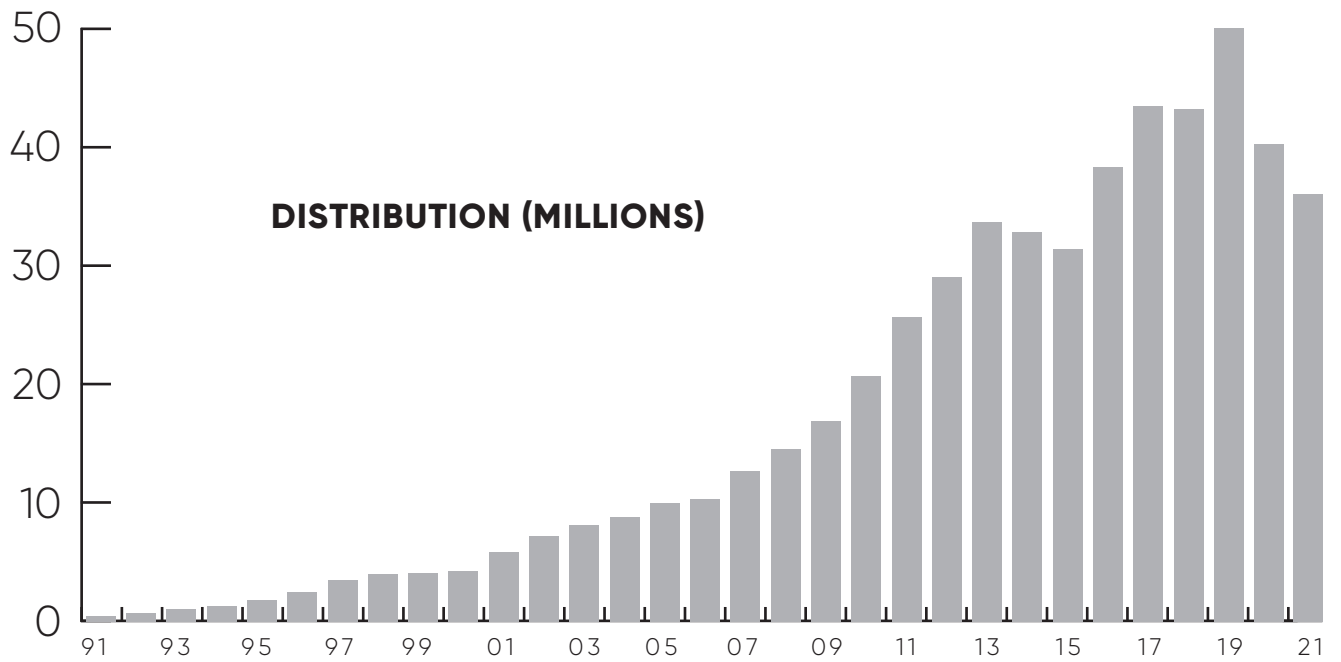
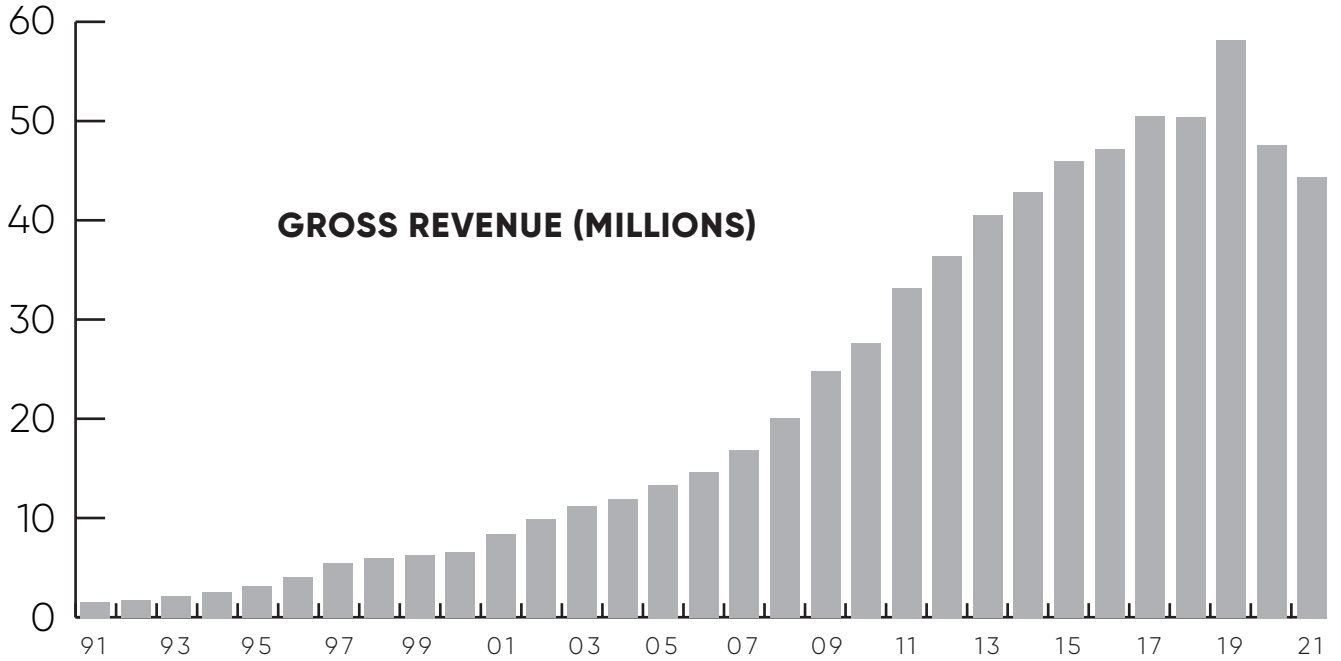
Earlier this year Lindy indicated her intention to retire from the PPCA Board at the end of 2021. We thank her for her incredible service and commitment – she will be much missed.

Finally, I would like to also extend my thanks to the Board, Annabelle and all PPCA staff for their efforts during what has been yet another challenging year. It has been a pleasure to work with you all for another year and I look forward to a more positive 2022.

George Ash  
November 2021

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# SUMMARY



# THE COMPANY

**Registered of Office**

Level 4, 11-17 Buckingham  
Street, Surry Hills, NSW 2010  
A. C. N. 000 680 704

**Bankers:**

Commonwealth Bank  
of Australia

**Solicitors:**

Gilbert + Tobin

**Auditors:**

Pitcher Partners  
Sydney

**Executive Secretariat**

Annabelle Herd  
Chief Executive Officer

Lynne Small  
Chief Operating Officer

Linda Courtney  
Manager, Distribution

Alistair Alderson  
Manager, Business Technologies

Tessa Kerans  
Senior Marketing and  
Communications Manager

Rohini Sivakumar  
Corporate Counsel - Commercial

**Directors January 2022**

George Ash (Chair)

Duncan Collins

Bill Cullen

Lindy Morrison

Gordon Pitt

Josh Pyke

Dan Rosen

David Vodicka

# BOARD MEMBERS



## **George Ash** PPCA Board Chairman

George Ash became a member of the PPCA Board in August 2003.

George is also the President Asia Pacific of Universal Music Australia (UMA), a division of the Universal Music Group.

Prior to George's current position with Universal Music Australia, he held positions as Managing Director, UMA, Managing Director, Universal Music NZ, Managing Director, MCA Geffen NZ and held key management roles at BMG NZ. George has also held roles in Polygram Manufacturing and in the retail sector.

George's passion for the music industry began as a musician and has spanned 25 years including holding a variety of roles in key industry bodies within the NZ Industry before relocating to Australia in his current role in 2001.



## **Duncan Collins** Licensor Representative

Duncan Collins is the Chief Operating Officer of TMRW Music Group, one of Australia's largest independent entertainment groups. With a career spanning 20 years across the UK, Europe and Australia, he has been on the frontline of some of the biggest clubs in the world, as well as at the helm of one of the UK's most successful ever independent record companies, Ministry of Sound.

Having moved to Australia in 2011, he now works hand in hand with Tim McGee running a group of independent music companies covering recordings, publishing, live events, artist management and venue management under the TMRW banner. These include etcetc music, home to Pnau and Jax Jones, Ministry of Sound Events, home to the wildly successful Orchestrated live classical gigs, and Chinese Laundry, one of Australia's key club exports and a consistent feature in the World's Top 100 clubs.

A regular contributor to international boards such as AFEM (Association for Electronic Music) and speaker at EMC (Electronic Music Conference Australia), he is well versed in every aspect of a modern entertainment business, from performing rights and business affairs all the way to live event management. He is currently studying a Masters in Analytics at UNSW outside of his day to day role.

## **Bill Cullen** PPCA Board Member

Bill is the Managing Director of One Louder Entertainment, the management home to Paul Kelly, Kate Miller-Heidke, Neil Finn, Alex The Astronaut, Kim Churchill and Ball Park Music.

He has been involved in the music business since leaving school, and did a long stretch working with Grant Thomas Management, working with acts such as Crowded House and The Rockmelons. A five year stint in London followed, where he worked with the legendary Pete Jenner (manager of Pink Floyd, The Clash, Billy Bragg etc) before going on to co-manage New Zealand act OMC (How Bizarre) who went on to a number one single and gold album in the US. He returned to Australia in 1999, and established One Louder, and has since had gold plus success with Alex Lloyd, George, Amiel, Sarah Blasko, Kate Miller-Heidke, End Of Fashion and Paul Kelly.



### **Lindy Morrison, OAM PPCA Artist Representative & Board Member**

Lindy Morrison has been a member of the PPCA Board, as a representative of registered Australian recording artists, since 1994.

Lindy toured the world as a drummer, with Zero (1978 – 79), The Go-Betweens (1980 – 89) and Cleopatra Wong, (1990 – 93). She is presently playing with Dave Mason (The Reels) in The Sandy Shores and Alex the Astronaut.

Since 1993, Lindy has worked around Australia as the musical director or performer in shows, parades and festivals, and has led drum and music workshops with many diverse and varied community groups. She now works with Waverley Council on music programmes at the Bondi Pavilion and teaches Music Business at TAFE Ultimo.

Lindy has a Bachelor of Social Work and is the part time social worker for Support Act Ltd—the benevolent society for musicians and workers in the music industry. In 2009 she completed her Masters in Legal Studies at UNSW. Lindy has been a passionate advocate for artists' rights throughout her career.

In 2013 Lindy was awarded an Order of Australia medal for service to the Australian music industry. In 2015, she was awarded the APRA Ted Albert Award.

Lindy has indicated that she does not intend to contest the election currently underway to determine the Registered Artist Board Representative for the 2022/2023 term.

### **Gordon Pitt Board Member**

Gordon Pitt is the VP, Legal & Business Affairs, ANZ, at Sony Music Entertainment.

Gordon has been with Sony Music since 2013. Before joining Sony Music, Gordon worked in sports, media and entertainment at IMG.



### **Josh Pyke PPCA Artist Representative & Board Member**

Acclaimed multi-ARIA Award winning acoustic troubadour Josh Pyke is one of Australia's most respected and successful musicians, with an extensive career that has taken him across the country and around the world.

Josh has released 5 ARIA top ten solo albums, and won 4 ARIA's in a career that has spanned over 12 years.

Most recently, Pyke realised a long held dream in early 2015 when he played two special Sold Out shows at the Sydney Opera House backed by the Sydney Symphony Orchestra. The live recordings of this performance was released in 2016 and had 3 weeks at #1 on the ARIA Classical charts, and went on to win an ARIA in the 2016 ARIA awards.

Josh has always used his public position to remain a staunch advocate for the arts. With his work as an ambassador for APRA/AMCOS, the Indigenous Literacy Foundation, as well as his own project for young musicians, The Josh Pyke Partnership, Pyke has endeavored to not only raise funds and awareness for the arts, but offer his insights and mentorship from his experience as a working musician.

Josh has also been a Patron for the PPCA, and was the elected Artist member representative on the Board of Directors for the PPCA in 2016.





## **Dan Rosen** **PPCA Board Member**

Dan Rosen is the President of Warner Music Australasia. He is lawyer, policy advisor, musician a key advocate for Australia artists and the music industry.

Prior to starting at Warner, Rosen served as the Chief Executive of ARIA and PPCA for a decade, the peak industry bodies for the Australian music industry. Before joining ARIA and PPCA, Rosen was based in New York working as Head of Americas for ROO Media, a NASDAQ listed digital media company. Rosen is a Fulbright Scholar who completed his Masters of Law and Business at New York University.

Before leaving for the States, Rosen worked as an Advisor to the Federal Minister of Communications, Richard Alston, after starting his career as a lawyer, specialising in media and technology, with Minter Ellison.

As an artist with his band Second Dan notably won Triple J's Unearthed competition in 2003, and went on to independently release two albums and toured throughout the US and Australia.

Dan Rosen is a passionate voice for creative communities both at home and abroad, as a Director of Creative Partnerships Australia, Member of the Australian Government's Creative Industries Taskforce, former Advisory Board member of the National Indigenous Music Awards, former Chair of the NSW Creative Industries Taskforce and member of the Victorian Government's Creative Victoria Taskforce and most recently being at the forefront in advocating for Government support for the music and entertainment industries through the COVID pandemic..



## **David Vodicka** **PPCA Licensor Representative & Board Member**

David Vodicka is the owner of Rubber Records and the principal of entertainment law firm Media Arts Lawyers and has had extensive experience with over 20 years practice representing musicians, artists, composers, and recording and publishing entities. He has dealt in all facets of law affecting the creative industries, and has had considerable hands on experience in the music recording and publishing fields as director of independent label Rubber Records and music publisher Rubber Music Publishing. He is a passionate advocate for local music and creative industries and presently is chairman of the board of AIR (the Australian Independent Record labels association) and is a current board member of ARIA (Australia Recording Industry Association).

He believes that the new digital era provides specific challenges for the recording industry and that ensuring that PPCA's members, and in particular the independent record labels, obtain a fair and equitable return for the public performance of their works is paramount.

# MANAGEMENT REPORT

The financial year 2020/2021 has been another extraordinary year as we faced the continued impact of COVID-19. Although 2021 started on an optimistic note and there was a sense that a return to 'pre-COVID life' would occur, the pandemic persisted, resulting in continued lockdowns, venue closures and a cessation to live music performances and events. All of these factors have once again affected PPCA's distribution for the financial year 2020/2021. However, whilst the year has been marred by the shadow of COVID-19, 2021 has also been a transformative year for PPCA and its stakeholders. It has been a year marked by rebuilding, recovery and change – which will hopefully set a solid foundation for 2022 and beyond.

## Financial

The financial results for the 20/21 year were severely impacted by the COVID-19 driven lockdowns and venue restrictions that continued throughout most of the year across various parts of the country. Overall revenues fell by almost 7% when compared to the 19/20 result, which itself was lower than usual as a result of the start of the COVID-19 pandemic in Australia in March 2020. Public performance revenues suffered the most, particularly in the hard hit hospitality sector, especially venues that would normally hold Recorded Music for Dance (eg nightclub) licences. Public performance revenue for the year was down 15% on the 19/20 year, which was already 21% lower than the pre COVID 18/19 financial year.

Total licensing revenue, at \$42.9M, fell into three main categories – broadcast (\$18.6M), public performance (\$20.8M) and communication (\$3.5M). The 20/21 year expense to revenue ratio was 16.6% compared to 15.4% in the previous financial year, with the increase principally driven by the fall in revenue resulting from the impact of COVID-19 on public performance revenues.

## OneMusic Australia

OneMusic Australia is the joint licensing initiative between PPCA and APRA AMCOS. The joint licensing initiative provides blanket licences that cover rights for both sound recordings and musical works. It simplifies the music licensing process for businesses that publicly perform music.

This year marks the second financial year since the launch of OneMusic Australia and we continue to be pleased with the success of the initiative for both music users and stakeholders alike. Throughout this extremely challenging period, PPCA in collaboration with APRA AMCOS, has supported OneMusic Australia licensees affected by COVID-19 lockdowns and restrictions in a number of ways, most notably through the suspension of debt collection and waiving licence fees or providing credits for licensees whose activities have been severely impacted by restrictions and lockdowns. These measures have contributed to the decline in public performance revenues.

We are delighted to advise that PPCA in collaboration with APRA AMCOS settled the single tariff for the Recorded Music for Dance (nightclubs, dance clubs, discos). This public performance licence was introduced during the year and its implementation is a significant milestone after an extensive and lengthy consultation process.

Consultation in relation to the Events tariff (Promoted Events and Eligible Outdoor Events) will recommence as events are starting to be organised for 2022. Our goal is to finalise the consultation process with a view to having ongoing arrangements settled before the end of the 2021/2022 financial year.

We will continue to work with APRA AMCOS on potential licence schemes and to continually review the licence schemes currently offered by OneMusic Australia to ensure that the licences and the services offered by OneMusic Australia continue to meet the requirements of the market and our respective stakeholders.

## Distributions

The PPCA distribution for the 2020/21 year was made in late December 2021, with just over \$36.4M available to distribute to PPCA licensors and registered Australian artists. Approximately 14% of the distributable surplus was directed to PPCA licensors and registered artists based overseas.

It is positive to note that registrations under PPCA's Artist Direct Distribution Scheme continued to grow, alongside the number of PPCA Licensors (including independent artists that control their own master rights). At the end of the financial year PPCA had 4,800 Australian artists registered under the Artist Direct Distribution Scheme, and 3,215 licensors, further expanding the broad coverage of the PPCA blanket licences which cover the repertoire of thousands of labels and millions of tracks across all genres. The increase in the number of registered artists is also significant as it means that more artists are eligible to receive payments from PPCA – which is of particular importance as income opportunities for artists have been affected due to the pandemic.

Development work continued on the PPCA portal for PPCA licensors and registered artists. Although the PPCA Distribution team are willing and able to assist with any requests, the portal will be of immense benefit to PPCA licensors and registered artists as it will enable these persons to access and amend their personal details held by PPCA directly and it will also provide immediate access to PPCA distribution statements. PPCA looks forward to rolling out the online portal in early 2022.

## Music Community Support and Advocacy

The past financial year has been bleak for many of PPCA's stakeholders. The music and entertainment industries were one of the first industries to be impacted by COVID-19 by way of lockdowns, venue capacity and social distancing restrictions and border closures. As PPCA has previously noted, this sector will undoubtedly be one of the last sectors to recover.

In order to assist PPCA stakeholders and the wider music community to withstand the challenges of COVID-19, PPCA continued to provide support, advocacy and assistance in a number of ways.

There were a number of initiatives for which PPCA continued to provide its longstanding support including Sounds Australia, the National Aboriginal and Torres Strait Islander Music Office, Support Act, the Arts Law Centre of Australia, the Copyright Council of Australia, the Australian Songwriters Association Awards and the Association of Artist Managers (AAM). PPCA also continued to administer the PPCA Performers' Trust Foundation – detailed information about this is located in this Annual Report.

During the year, PPCA continued its partnership with the Australia Council for the Arts in respect of the recording grants partnership. To date, this partnership grants program has provided \$675,000 in creative grants to Australian recording artists. In 2021 thanks to additional support from the Australia Council for the Arts, we doubled the usual number of annual grants that have been provided since the grant initiative commenced and ten new recipients were each awarded with a \$15,000 grant to assist with the creation of new sound recordings. The recipients of the grants were:

- Matthew Hsu: the Queensland Music Award winning composer and multi-instrumentalist will be recording a collaboration album with the Obscure Orchestra, a First Nations, POC, queer and abilities diverse group.
- Briana Clark: will be recording her debut album *Waiting*, an 11-track breakup album detailing the hurt, the rediscovery of self and the acceptance that comes with working through pain with pen, paper and a piano.
- Timothy Shiel: will record the “debut” artist album called *Distraction Season*, which is a sprawling, deeply collaborative project involving upwards of 20 predominantly Australian creatives and is slated for 2022.
- Delali Zevon: will be creating and promoting Volta Hymn's debut LP, *Incognito Mode*, merging the sonic influences of Electronica and Avant-pop, with elements of Delali's West-African heritage. A woman-led team is an integral feature of this project.
- Nathan May: the 26-year-old Indigenous Australian based in Adelaide will be writing and recording his first full-length album, working with respected songwriters and mentors James Gillard, Kevin Bennett, Colin Buchanan, and Luke O'Shea in Sydney.
- Chelsea Wilson: will be recording with the Women of Soul Collective for their second album celebrating 10 years of collaboration and demonstrating the incredible strength and talent of Australian women.
- Charlene Collins: will be recording her sophomore album. In 2019, her debut solo album *Snowpine* was nominated for Best Country Album at the ARIA Awards and won the Best Independent Country Album award at the 2020 AIR Awards.
- Brooke Wilkie: will be working with Alter Boy to produce and promote their debut EP (for release in September 2021). Alter Boy's members include two deaf signers – natural performers and daily Auslan users who are perfectly positioned to provide greater accessibility, inform and educate.
- Rebeca Amani: “Modern DIY” artist Beckah Amani will record her debut EP, *Monumental Moments*, a self-produced, written, distributed and marketed work that follows a series of breakout singles last year.
- Patrick Pierce: Melbourne based indie-folk rock group Pierce Brothers will record a five track collaboration EP. After the success of their latest album into the great unknown, Pierce Brothers are teaming up with five different artists to put together an eclectic EP featuring some of Australia's best and emerging names in music. PPCA congratulates each of these grant recipients.

At the end of 2020, PPCA was pleased to partner with the Australia Council for the Arts and ARIA for the First Nations Recording Grants program. Five new grants, each valued at \$18,500 were on offer to Aboriginal and Torres Strait Islander artists for the purpose of creating new recordings. In addition to providing funds for new recordings, the grant program also facilitated access to music industry professionals to advise and assist the grant recipients with the creation of a release strategy for their recording project. A goal of the grant program was to help foster and create sustainable careers and build industry networks for the grant recipients.

The grants were made available as a part of the Australian Government's Indigenous Contemporary Music program which aimed to provide development opportunities for Aboriginal and Torres Strait Islander musicians and bands. The five recipients were chosen by a specially convened industry advisory panel and the recipients were announced at the end of 2020:

- Jess Hitchcock (VIC): Jess Hitchcock will co-write and record her second album *Insight*: an intimate collaboration with Australian pop icons Paul Kelly and Kate Miller-Heidke, alongside new collaborations with Alice Keath and Kier Nuttall. Jess will produce *Insight* with renowned pop producer John Castle in his Brunswick studio.
- Miiesha Young (QLD): Miiesha will record 2 EPs, a two part story exploring the challenging relationship with a loved one. Part 1 (*Smoke*) explores anger, sadness and hurt through chaotic production, while Part 2 (*Mirrors*) is reflective, stripped back and healing.
- Luke Riches/The Struggling Kings (WA): The Struggling Kings will follow their debut EP *Oceans* with a new album, recorded under the mentorship of Shiny Joe Ryan of award winning, internationally acclaimed acts Pond and Tame Impala.
- Daniel Wilfred (NT): Daniel Wilfred will record *Hand To Earth*, a new collaboration with the Australian Art Orchestra. The new songs will be 'yuta manikay' - songs that have been written in Wilfred's language, Wägilak from Arnhem Land.
- Dan Rankine aka trials (SA): trials, a renowned producer and Ngarrindjeri man, is a member of ARIA Award winning A.B. Original. He will create a new work under his name that celebrates the spirit of collaboration between artists across disciplines.

PPCA once again thanks the Australia Council for the Arts for its continued assistance and expertise with these two grant programs.

In addition to supporting existing initiatives and programs, PPCA understood the serious situation that many of the participants in the music community were experiencing this year. PPCA was active in advocating on behalf of our stakeholders to ensure that support, assistance and relief was made available to those impacted. Whilst the focus was advocacy to all levels of Government about the impact of the pandemic on the livelihoods of artists, PPCA also continued to advocate on wider copyright reform to ensure that the rights of music creators are recognised and safeguarded.

During 2021, PPCA made representations to the Federal Government to provide additional funding to the Australian Government Restart Investment to Sustain and Expand (RISE) Fund and to expand the eligibility criteria to enable a broader range of workers in the sector to be eligible for the grant. These changes occurred and an additional \$125 million in RISE funding was provided by the Federal Government. In June 2021, PPCA conducted an online information session for PPCA licensors and registered artists which focused on providing information as to how PPCA licensors and registered artists could apply for funding under the RISE Fund.

In addition to the RISE Funding, PPCA advocated on behalf of the music community in respect of COVID-19 relief and revitalisation, helping to secure important funding for Support Act to support its much needed crisis relief activities. PPCA also successfully lobbied with its industry partners for the expansion of support packages offered by the Federal, New South Wales and Victorian Governments, ensuring that financial aid was available to many additional workers within the Australian music industry who were previously excluded from accessing support due to the eligibility criteria. In addition, PPCA in collaboration with live music and entertainment industry bodies such as APRA AMCOS, ARIA, Live Performance Australia, Live Entertainment Industry Forum and the Australian Festival Association lobbied the government to adopt a government-backed insurance scheme to provide certainty and confidence for the Australian live music and entertainment sector.

PPCA also supported Support Act's efforts to expand and extend its Federal Government funding, in order to allow it to continue to provide specific COVID crisis relief grants. We are delighted to have been able to help the industry charity maintain and expand its emergency crisis relief and ongoing suite of wellbeing services.

PPCA will continue its advocacy efforts in 2022 to ensure that the rights of artists and creators are protected and that our stakeholders are recognised and considered as a part of any government initiatives for relief and support.

## Communications

PPCA continued to grow its digital presence through its engagement on social media which provides PPCA with another means to communicate with our stakeholders and the wider community. In July 2021, our IT Department spearheaded the launch of the new PPCA website which provides a more user friendly experience, including the availability of an increased number of online forms to assist licensors, artists and licensees.

In addition to social media and online channels, PPCA also continued its communications with its stakeholders via emails, newsletters and sponsorships. Where possible, PPCA endeavoured to advocate on behalf of its stakeholders about the value and importance of copyright and the value of music through educational panels, speaking opportunities and through partnerships with key music bodies and events. Examples of the activities undertaken by PPCA included:

- Sponsorship of the Breakthrough Artist at the 2020 ARIA Awards in partnership with YouTube Music: For the past decade, PPCA has sponsored the Breakthrough Artist Award. There was a stellar cohort of artists nominated for the Breakthrough Artist presented by PPCA award – Alex the Astronaut, Lime Cordiale, Mallrat, Miiesha and the Kid Laroi. Lime Cordiale was presented with the award at the 2020 ARIA Awards ceremony.
- Sponsorship of the 2021 AIR Awards: PPCA continued its support and encouragement of developing artists through our sponsorship of the Breakthrough Artist Award at the AIR Awards. Spacey Jane was the recipient of the Breakthrough Independent Artist Of The Year – Presented by PPCA award.
- Supporting partner of Indie-Con: PPCA continued its supporting partnership of Indie-Con and PPCA representatives participated in the presentations that were staged.
- Sponsorship of the 2020 CBAA Community Radio Awards: PPCA sponsored the categories of Contribution to Australian Music – Initiative (awarded to Highland FM 107.1 for their 100% Homegrown initiative) and Excellence in Music Presenting (awarded to Puha and Pork Bones from Koori Radio 93.7FM) as part of the Community Broadcasting Association of Australia Radio Awards.

## Code of Conduct

PPCA is a founding subscriber to the voluntary Code of Conduct for Copyright Collecting Societies (the Code). The Code was developed collaboratively by the various Australian collecting societies and came into effect in July 2002. It was recently reviewed, and the revised Code came into effect on 1 July 2019. The compliance of the participating collecting societies with the Code is reviewed annually by the Code Compliance Reviewer. The Code itself is reviewed every three years with the next review occurring in early 2022. Both the annual compliance review and the triennial review of the Code are undertaken independently and incorporate public consultation. The compliance review is undertaken by Hon Dr Kevin Lindgren AM QC and the Triennial Code review will be undertaken by the Hon Alan Robertson SC.

A separate website has been established by the collecting societies and it is used as a central location to make available all relevant material to the public. The website is located at [www.copyrightcodeofconduct.org.au](http://www.copyrightcodeofconduct.org.au) and it contains all annual compliance and triennial review reports, together with the submissions of each collecting society. Materials relating to the Code can also be found on the PPCA website, accessed from links at the footer of the website.

The report prepared by the independent Code Compliance Reviewer for the year ending June 2021 was published on 13 December 2021 and demonstrates PPCA's ongoing compliance with its obligations under the Code.

### **A year of change...**

This past financial year has been a year of change for PPCA and the broader industry as a whole.

In December 2020, PPCA farewelled Dan Rosen from his role as CEO of PPCA. Dan had been in the position for a decade and stepped down from the role to take on the position of President at Warner Music Australasia. We thank Dan for his immense contribution to PPCA over the decade and his contribution to PPCA will continue in his capacity as a member of the PPCA Board. In February 2021, PPCA welcomed Annabelle Herd to the position of CEO. Annabelle has been in the role for a short period of time but has already been at the forefront of driving change and advocating on behalf of PPCA's licensors and registered artists. The changes at PPCA continue as Lindy Morrison has foreshadowed her departure from the PPCA Board. Lindy has been on the PPCA Board for 27 years and has never lost her passion and dedication for recording artists and the Australian music community. We are grateful for Lindy's contribution over the past decades and thank her for support to PPCA and for her unwavering support to the Australian music community.

One of the most prominent projects that PPCA has been involved in relates to the discussion of cultural change within the music industry. As a first step in this process, in May 2021, PPCA acting jointly with ARIA and APRA AMCOS, convened a preliminary gathering to discuss this important issue. Following this gathering, a Temporary Working Group was formed comprising of representatives from across the music industry. This Temporary Working Group was charged with the task of identifying suitably qualified independent experts to undertake industry wide consultation on cultural change, sexual harassment and systemic discrimination and consider how to implement change and create a safe, inclusive and respectful environment for all participants in the music industry. Following on from this, in December 2021, independent consultants were engaged to undertake a national Music Industry Review on these issues. After the conclusion of a consultation process, the consultants will provide a report on their findings and recommendations. It is anticipated that the report will be handed down in June 2022. PPCA strongly supports this review and we hope that this review will help to create a safe, diverse, equitable and better industry for all.

### **The year ahead.....**

The 2020/2021 financial year was a challenging year of disruption and adversity for many, but it was also a year of transformation. At the time of writing, the pandemic has not abated and the challenges of the past financial year are likely to persist in 2021/2022. Despite this, PPCA remains optimistic that we will be able to re-emerge from the pandemic and start the process of rebuilding.

Looking ahead, PPCA's strategic priorities will be to ensure that PPCA continues to champion cultural change within our industry and we will continue to work with our industry partners to do this. We will also continue to advocate for our stakeholders, whether it is in relation to copyright protection, government assistance or any measures that will assist our stakeholders during these challenging times.

We acknowledge the efforts of the PPCA team who have strived to maintain service levels and support for our stakeholders whilst working remotely. Equally, we acknowledge the efforts of PPCA's registered artists and licensors who have demonstrated resilience in the face of continued challenges and adversity.

For updates on PPCA's activities please visit our website ([www.pcca.com.au](http://www.pcca.com.au)) where you can access our newsletters and media releases. You can also connect with us via Facebook ([www.facebook.com.pcca.official](http://www.facebook.com.pcca.official)) and Twitter ([www.twitter.com/ppca](http://www.twitter.com/ppca)).

# PPCA PERFORMERS TRUST

## PPCA Trust Activities

Since its inception, PPCA has funded and co-administered with the Musicians' Union and the Media Entertainment and Arts Alliance (formerly Actor's Equity) the "PPCA Trust". The Trustees during the period 1 July 2020 – 30 June 2021 were George Ash, Dan Rosen, Annabelle Herd, Patricia Amphlett, and Jim Glaister.

In exercising their powers pursuant to the provisions of the Trust, the Trustees have the power to pay or to apply the Trust Fund to or for the benefit of such beneficiaries as the Trustees in their absolute discretion from time to time determine in respect of one or more of the following purposes:

1. performance at concerts at or for charitable institutions such as hospitals or homes for the aged; or,
2. scholarships for the promotion and encouragement of musical and theatrical education; or
3. the promotion and encouragement of the performing arts to the general public; or, in particular,
4. the aid or assistance of any beneficiary who in the opinion of the Trustees is unable to adequately maintain herself/himself by her/his own exertions and other income.

Total funds provided since creating the Trust have been \$2,943,951 (up to 30 June 2021).

In the 2020-2021 year, four Trust meetings were held and 42 applications were put to the Trustees. Of these, 16 were approved totaling \$35,011. Of the successful applications 15 related to further education and research; and 1 to festivals, live music and local artists.

## The names of the recipients are as follows:

Christine Eckersley
Emma Rose Williams
Jennifer Hou
Jessica Blunt
Joseph Eisinger
Keiran Brandt-Sawdy
Musicians Union of Australia
Peter Clark
Raphael Pierre Rosse
Rebecca Johnson

The Trust Balance Sheet can be found on page 38 of this report.

Feedback from many of the grants recipients has been welcome and useful. Here are some examples.

# PERFORMER'S TRUST TESTIMONIALS

Dear PPCA Trustees,

I would like to thank you for your generous support of my studies in Pordenone, Italy at the Segovia Guitar Academy with Prof. Paolo Pegoraro and provide a brief report of my activities.

I was fortunate enough to travel from Darmstadt, Germany, where I am currently in the process of finishing my Postgraduate Artistic Studies Diploma, to Pordenone, an hour away from Venice, for the 3 of the 4 lessons with Prof. Pegoraro. The last lesson, however, had to be conducted online due to the travel restrictions imposed throughout Europe due Covid-19.

Prof. Pegoraro was extremely generous with his time, each student of the Academy received 2-hour long sessions each meeting. However, I was often scheduled as the last student of the day and received each meeting an additional hour of time. This was a really exhausting but a very rewarding experience for me.

The lessons were very productive and insightful; in our sessions we covered a broad range of repertoire, covering both the fine interpretive and broad details of each work. We worked on; John Dowland's Lachrimae Pavane, my own transcription of J.S. Bach's first keyboard partita, a 19th Century piece Le Depart by Napoleon Coste, Antonio José's Sonata para Guitarra and finally Benjamin Britten's famous Nocturnal. The Britten was the only piece that we worked on via Skype due to the Corona travel restrictions. Prof. Pegoraro recorded this lesson during our video call and sent it to me afterwards, which has proved to be a great reference for me to look back on.

Overall, my brief time in Italy proved to be beneficial for my continued artistic development and greatly inspiring. This would have not been possible, if not for the support of the PPCA – for which I am incredibly grateful.

With kind regards,  
Hamish Strathdee

# SPECIAL PURPOSES FINANCE REPORT

For the financial year ended 30 June 2021

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# DIRECTOR'S REPORT

For the financial year ended 30 June 2021

The directors of Phonographic Performance Company of Australia Limited submit herewith the annual financial report of the company for the financial year ended 30 June 2021. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

## Information about the directors and senior management

The names and particulars of the directors of the company during or since the end of the financial year are:

NAME	PARTICULARS
George William Ash	President, Record Company
Elizabeth Ann Blakey	(Alternate for Niklas Nordstrom) Business Affairs Director, Record Company
Duncan Collins	Chief Operating Officer, Record Company
David William De Barran Cullen	Director, Management Company
Karen Ann Don	(Alternate for George William Ash); Director, Legal & Business Affairs, Record Company
Denis Anthony Handlin	Chairman and CEO; Australia and New Zealand, President: Asia, Record Company
Chloe Martin-Nicolle	(Alternate for Denis Handlin); Director, Legal & Business Affairs
Belinda Morrison	Independent Artist
Niklas Erik Nordstrom	Managing Director, Record Company
Gordon James Pitt	(Alternate for Denis Handlin); General Manager, Legal & Business Affairs, Record Company
Joshua Jon Pyke	Independent Artist
Danny Rosen	Managing Director, Record Company
David Andrew Vodicka	Managing Director, Record Company

The above named directors held office during the whole of the financial year and since the end of the financial year, except for:

Elizabeth Ann Blakey	Resigned 29 March 2021, Appointed 28 April 2021
Duncan Collins	Appointed 1 July 2020
Denis Anthony Handlin	Resigned 23 June 2021
Chloe Martin-Nicolle	Appointed 29 November 2020, Resigned 1 December 2020 Appointed 18 May 2021, Resigned 18 May 2021
Niklas Erik Nordstrom	Resigned 29 March 2021
Gordon James Pitt	Resigned as Alternate 23 June 2021, Appointed as Director 19 July 2021
Danny Rosen	Appointed 29 March 2021

## Company secretary

Ms Lynne Maree Small, Certified Practising Accountant, held the position of company secretary of Phonographic Performance Company of Australia Limited during and since the end of the financial year. She joined Phonographic Performance Company of Australia Limited in 1996 and was appointed company secretary on 16 May 1997.

## Principal activities

The principal activity of the company in the course of the financial year was acting for the copyright owners in the licensing throughout Australia of the broadcast, communication and public performance of sound recordings and music video clips.

During the financial year there was no significant change in the nature of those activities.

## Review of operations

The company's results are negatively affected by an extensive countrywide lockdown of customers & venues as a result of COVID-19. The decrease in the distributable surplus, when compared to the previous financial year, is a direct result of the continuing impact of the pandemic.

The company's distribution to its licensors in relation to the current year was \$36,411,530 (2020: \$40,196,365).

The company's results for the financial year ended 30 June 2021 was a profit of \$nil (2020: \$nil).

## Significant changes in state of affairs

There were no significant changes in the state of affairs of the company during the financial year.

## Matters subsequent to the end of the financial year

The continued public health restrictions including lockdowns in NSW and Victoria after 30 June 2021, in response to the impact of the delta variant of COVID-19, will delay the previously anticipated recovery of public performance licence fee income.

There has not been any matter or circumstance, other than that referred to above, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

## Future developments

Disclosure of information regarding likely developments in the operations of the company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the company. Accordingly, this information has not been disclosed in this report.

## Environmental regulations

The company's operations are not subject to any particular and significant environmental regulations under any State or Federal laws.

## Dividend

The company is a not-for-profit company and is prohibited from paying a dividend by its constitution.

## Indemnification of officers and auditors

During the financial year, the company paid a premium in respect of a contract insuring the directors of the company (as named above), the company secretary, Lynne Maree Small, and all executive officers of the company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The company has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

**Distribution**

The annual surplus to be distributed in accordance with the Company's distribution policy is \$36,411,530..

**Directors' meetings**

The following table sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director (while they were a director). During the financial year, 6 board meetings were held.

BOARD OF DIRECTORS	ELIGIBLE TO ATTEND	ATTENDED
George William Ash	6	5
Elizabeth Blakey (alternate for Niklas Erik Nordstrom & Danny Rosen)	5	5
Duncan Collins	6	6
David William De Barran Cullen	6	6
Karen Ann Don (alternate)	-	-
Denis Anthony Handlin	6	-
Chloe Martin-Nicholle (alternate)	2	2
Belinda Morrison	6	6
Niklas Erik Nordstrom	5	-
Gordon James Pitt (alternate)	4	4
Joshua Jon Pyke	6	4
Danny Rosen	1	1
David Andrew Vodicka	6	6

**Proceedings on behalf of the Company**

No person has applied to the Court under section 237 of the Corporation Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the Corporation Act 2001.

**Auditor's independence declaration**

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4 of the annual report.

This directors' report is signed in accordance with a resolution of directors made pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



George William Ash  
Director  
Sydney, 19 October 2021

# AUDITOR'S INDEPENDENCE DECLARATION

For the financial year ended 30 June 2021

**TO THE DIRECTORS OF PHONOGRAPHIC PERFORMANCE COMPANY OF  
AUSTRALIA LIMITED  
ABN 43 000 680 704**

I declare that to the best of my knowledge and belief, during the year ended 30 June 2021 there have been no contraventions of:

- i. the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.



M A ALEXANDER  
Partner

PITCHER PARTNERS  
Sydney

19 October 2021

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 June 2021

## 5. Revenue and other income

	Note	2021 \$	2020 \$
Revenue	5	43,676,626	46,901,209
Interest revenue calculated using the effective interest rate method		193,066	790,851
Subscription fees paid or payable to the International Federation of Phonographic Industry		(360,730)	(340,459)
Employee benefits expense		(2,708,502)	3,144,868
Depreciation and amortisation expense		(900,945)	(865,685)
Finance Costs		(38,897)	(53,489)
Distribution to licensors		(36,411,530)	(40,196,365)
Legal expenses		(140,737)	(133,255)
Public performance commissions		(2,551,947)	(1,298,984)
Other expenses		(756,404)	(1,658,955)
Profit before tax	6	-	-
Income tax expense	4(c)	-	-
Profit after income tax		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		-	-

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

# STATEMENT OF FINANCIAL POSITION

For the financial year ended 30 June 2021

		2021 \$	2020 \$
<b>Current assets</b>			
Cash and cash equivalents	14(a)	802,699	1,452,838
Trade and other receivables	7	4,571,523	2,702,574
Other financial assets	8	42,392,801	44,592,801
<b>Total current assets</b>		47,767,023	48,748,213
<b>Non-current assets</b>			
Property, plant and equipment	9	807,423	993,066
Lease assets	10	994,318	1,513,093
<b>Total non-current assets</b>		1,801,741	2,506,159
<b>Total assets</b>		49,568,764	51,254,372
<b>Current liabilities</b>			
Trade and other payables	11	47,980,366	49,133,438
Lease liabilities	10	540,336	504,216
Provisions	12	504,527	532,673
<b>Total current liabilities</b>		49,025,229	50,170,327
<b>Non-current liabilities</b>			
Lease liabilities	10	528,924	1,071,840
Provisions	12	14,602	12,196
<b>Total non-current liabilities</b>		543,526	1,084,036
<b>Total liabilities</b>		49,568,755	51,254,363
<b>Net assets</b>		9	9
		9	9
	13	9	9

# STATEMENT OF CHANGE IN EQUITY

For the financial year ended 30 June 2021

	Share capital \$	Retained earings \$	Total \$
<b>Balance as at 1 July 2019</b>	9	-	9
Total comprehensive income for the year	-	-	-
<b>Balance as at 30 June 2020</b>	9	-	9
Total comprehensive income for the year	-	-	-
<b>Balance as at 30 June 2021</b>	9	-	9

The above statement of changes in equity should be read in conjunction with the accompanying notes.

# STATEMENT OF CASH FLOW

For the financial year ended 30 June 2021

	Note	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		46,130,001	53,445,815
Payments to suppliers and employees		8,209,677	(10,268,244)
Distributions to licensors		40,209,985	(49,946,300)
Interest paid		(38,897)	(53,489)
Net cash (used in)/provided by operating activities	15(b)	(2,328,558)	(6,822,218)
<b>Cash flows from investing activities</b>			
Interest received		193,066	790,851
Payments for plant and equipment		(207,851)	(309,714)
Net (payments for) from term deposits		2,200,000	6,000,000
Net cash provided by/ (used in) investing activities		2,185,215	6,481,137
<b>Cash flows from financing activities</b>			
Payment for the principal portion of lease liability		(506,796)	(455,811)
Net cash (used in) financing activities		(506,796)	(455,811)
<b>Net increase in cash and cash equivalents</b>		(650,139)	(796,892)
<b>Cash and cash equivalents at the beginning of the financial year</b>	14(a)	1,452,838	2,249,730
<b>Cash and cash equivalents at the end of the financial year</b>		802,699	1,452,838

The above statement of changes in equity should be read in conjunction with the accompanying notes.



# NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 30 June 2021

## 1. General information

Phonographic Performance Company of Australia Limited (the company) is an unlisted public company limited by shares, incorporated and operating in Australia. The financial statements are presented in Australian dollars.

The financial statements were authorised for issue by the directors on 19th October 2021.

## 2. Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. These financial statements do not comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards and Interpretations that are not yet mandatory have not been early adopted.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial report, except for the cash flow information, has been prepared on an accruals basis and is based on historical cost. Cost is based on the fair values of the consideration given in exchange for assets.

## 3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following judgements have been applied:

### Allowance for expected credit losses

The allowance for expected credit losses assessment in relation to trade receivables requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include historical collection rates.

### **Net current asset deficiency**

As at 30 June 2021 the company has a net current asset deficiency of \$1,258,206 (2020: \$1,422,114). Included in the company's current liabilities are aggregate amounts representing the licence fees received

in advance of \$251,313 (2020: \$277,872) and amounts payable to licensors of \$36,115,443 (2020: \$39,913,898). While the amount payable to the licensors will be settled in December 2021, the licence fees received in advance will be used to support the operations of the company in the next financial year

with only the surplus forming part of the amount which will be distributed to the licensors in relation to the financial year ending 30 June 2021.

Consequently, the net current asset deficiency position at the 30 June 2020 is due to the nature of the business and does not highlight an issue relating to the going concern assumption of the company.

### **Lease Term**

The lease term is a significant component in the measurement of both the lease asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term.

In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Company's operations; comparison of terms and conditions to prevailing market rates; incurrance of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset.

The Company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

### **Incremental borrowing rate**

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date.

Such a rate is based on what the Company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the lease asset, with similar terms, security and economic environment.

## **4. Summary significant accounting policies**

### **New, Revised or Amended Accounting Standards and Interpretations Adopted**

The Company has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

### **(a) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the statement cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

### **(b) Revenue**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is brought to account over the terms of the licences issued on the following basis:

-Public performance licence fees are normally issued for a period of one year, although shorter periods are accommodated. In all cases licence fees are payable in advance. Income is brought to account on a monthly basis over the life of the contract.

-Broadcast licences are issued for various terms - income is brought to account on a monthly basis over the life of the contract.

-Revenue from the disposal of other assets is recognised when the entity has passed control of the other assets to the buyer.

### **Interest revenue**

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

### **Government grants**

Government grants are recognised when there is reasonable certainty that the grant will be received and all grant conditions are met. Government grants include amounts received or receivable under the Federal Government's JobKeeper Payment Scheme, which provide temporary subsidies to eligible businesses significantly affected by coronavirus (Covid 19).

### **(c) Income tax**

The company prepares its income tax returns on the basis that it acts as agent for the copyright holders that it represents. As such, it does not derive income on its own account. Rather, it is entitled under its constituent document to be reimbursed for expenditure incurred in the course of its activities. The basis of assessment has been agreed with the Australian Taxation Office. The net effect of temporary and permanent differences arising from expenditure incurred by the company is passed on to the recipients of the royalties collected.

#### (d) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition.

Deposits with a maturity of greater than three months from the date of acquisition are classified as other financial assets.

#### (e) Other Financial assets

##### **Recognition / derecognition**

The Company recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date).

Investments are derecognised when the right to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

##### **Classification of financial assets**

Financial assets recognised by the company are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the company irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9. Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

(a) the company's business model for managing the financial assets; and

(b) the contractual cash flow characteristics of the financial asset.

##### **Financial assets at amortised cost**

Term deposits are classified (and measured) at amortised cost on the basis that:

(a) they are held within a business model whose objective is achieved by

the company holding the financial asset to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **Impairment of financial assets**

The company recognises a loss allowance for expected credit losses on financial assets which are measured at amortised cost. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

#### (f) Property, plant and equipment continued

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition or construction of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment.

Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value.

Leasehold improvements are depreciat-

ed over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis. The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The following useful lives are used in the calculation of depreciation:

- Office furniture	5 to 10 years
- Office equipment	3 to 7 years
- Motor Vehicles	5 years
- Computer equipment	3 to 7 years
- Leasehold improvements	7 years
- Software	3 to 10 years

#### (g) Intangibles

##### IT development and software

Costs incurred in developing products or systems and costs in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software. Costs capitalised included external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis from the date the asset is brought into use over periods generally ranging from three to ten years.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Company has an intention and ability to use the asset.

IT development and software are included in property, plant and equipment.

## (h) Lease assets & liabilities

### Lease assets

A lease asset is recognised at the commencement date of a lease. The lease asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Lease assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of

### Lease liabilities.

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties.

The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

## (i) Employee benefits continued

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the company in respect of services provided by employees up to reporting date.

### Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when employees have rendered service entitling them to the contributions.

## (j) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

## 5. Revenue and other income

	2021 \$	2020 \$
<b>Revenue from contracts with customers</b>		
Licence fees	42,872,868	46,448,663
Other Revenue		
Government subsidies - Jobkeeper	605,150	285,000
Rent received	196,108	165,046
Sundry revenue	2,500	2,500
	803,758	452,546
<b>Total Revenue</b>	43,676,626	46,901,209

## 6. Profit for the year

Other specific disclosures

Profit for the year before income tax includes the following expense

	2021 \$	2020 \$
Post employment benefits - defined contribution plans	304,434	378,076
Provision for doubtful debts	75,000	346,324

## 7. Trade and other receivables

	2021 \$	2020 \$
Trade receivables	2,539,533	1,953,931
Allowance for expected credit losses	(113,399)	(582,953)
	2,426,134	1,370,978
Prepaid expenses	139,642	158,422
Other licence receivables	1,867,171	614,064
Other receivables	138,576	559,110
	4,571,523	2,702,574

## 8. Other financial assets

	2021 \$	2020 \$
Financial assets at amortised cost		
Term deposits	42,392,801	44,592,801

## 9. Property, plant and equipment

	Office furniture at cost \$	Motor Vehicles at cost \$	software \$	computer equipment at cost \$	Leashold Improvements at cost \$	Total \$
<b>Cost</b>						
Balance at 1 July 2019	323,499	33,409	3,169,645	499,140	611,702	4,637,395
Additions	47,042	-	261,301	1,371	-	309,714
Disposals	(70,242)	-	(30,406)	(140,062)	-	240,710
<b>Balance at 30 June 2020</b>	300,299	33,409	3,400,540	360,449	611,702	4,706,399
Additions	568	-	189,826	17,457	-	207,851
Disposals	-	-	(17,880)	-	-	(17,880)
<b>Balance at 30 June 2021</b>	300,867	33,409	3,572,486	377,906	611,702	4,896,370
<b>Accumulated depreciation</b>						
Balance at 1 July 2019	(321,651)	(17,818)	(1,941,612)	(412,532)	(611,702)	(3,302,138)
Depreciation expense	12,035	(6,682)	(265,434)	(29,409)	-	(304,702)
Disposals	70,242	-	-	-	-	-
<b>Balance as at 30 June 2020</b>	(263,444)	(31,182)	(2,474,395)	(332,610)	(611,702)	(3,713,333)
Depreciation expense	(12,035)	(2,227)	(335,243)	(28,768)	-	(382,170)
Disposals	-	-	6,556	-	-	6,556
<b>Balance at 30 June 2021</b>	(279,376)	(33,409)	(2,803,082)	(361,378)	(611,702)	(4,088,947)
<b>Net book value</b>						
As at 30 June 2020	36,855	2,227	926,145	27,839	-	993,066
As at 30 June 2021	21,491	-	769,404	16,528	-	807,423

## 10. Trade and other payables

### Lease assets

The company has one lease over its office premises that is due to expire in May 2023.

	2021 \$	2020 \$
Buildings	2,031,867	2,031,867
Provision for depreciation	1,037,549	518,774
	994,318	1,513,093

### Lease liabilities

Lease liability – current	540,336	504,216
Lease liability – non-current	528,924	1,071,840
Interest expense on lease liabilities	38,897	53,489
Total cash outflow in relation to leases	543,156	509,300

## 11. Trade and other payables

	2021 \$	2020 \$
Trade and other payables	11,363,989	8,837,467
Goods and services tax payable	249,621	104,201
Licence fees received in advance	251,313	277,872
Amounts payable to licensors	36,115,443	39,913,898
	47,980,366	49,193,438

## 12. Provisions

	2021 \$	2020 \$
Current Employee benefits	504,527	532,673
Non-current Employee benefits	14,602	12,196

<b>13. Issued capital</b>	<b>2021</b> \$	<b>2020</b> \$
9 fully paid ordinary shares (2017: 9)	9	9

	<b>2021</b>		<b>2020</b>	
	<b>No.</b>	<b>\$</b>	<b>No.</b>	<b>\$</b>
Fully paid ordinary shares				
Balance at the beginning of the financial year	9	9	9	9
Balance at the end of the financial year	9	9	9	9

Fully paid ordinary shares carry one vote per share.

In accordance with the constitution of the company, no dividends are to be distributed to shareholders.

Three shares were cancelled in the year following a merger of two shareholders, in line with the company's constitution.

#### **14. Capital commitments**

The company has no capital commitments at reporting date (2020: nil).

#### **15. Notes to the statement of cash flows**

##### **(a) Reconciliation of cash and cash equivalents**

For the purposes of the statement cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the statement cash flows is reconciled to the related items in the statement of financial position as follows:

	<b>2021</b> \$	<b>2020</b> \$
Cash and cash equivalents	802,699	1,452,838



**(b) Reconciliation of profit for the year to net cash flows from operating activities**

	2021 \$	2020 \$
Profit for the year	-	-
Depreciation and amortisation	900,945	865,685
Loss on disposal	11,324	292
Interest income received and receivable	(193,066)	(1,216,301)
Changes in assets and liabilities		
(Increase)/decrease in assets:		
Trade and other receivables	(1,868,949)	8,974,309
Increase/(decrease) in liabilities:		
Trade and other payables	(1,153,072)	(15,806,262)
Provisions	(25,740)	(65,391)
Net cash provided by/ (used in) operating activities	(2,328,558)	(6,822,218)

**16. Key management personnel compensation**

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2021 \$	2020 \$
Short-term employee benefits	927,471	1,126,105
Post-employment benefits	88,110	106,980
	1,015,581	1,233,085

## 17. Related party transactions

### (a) Key management personnel compensation

Details of key management personnel compensation are disclosed in note 16 to the financial statements.

### (b) Transactions with other related parties

Other related entities include entities with common control. Related entities include Australian Recording Industry Association Limited, Music Rights Australia Pty Limited and PPCA Performers' Trust Foundation.

Aggregate amounts receivable from other related parties are disclosed in note 7 to the financial statements. Amounts receivable from related parties are unsecured, non-interest bearing and are repayable at call.

Rental income of \$196,108 (2020: \$165,046) was charged to Australian Recording Industry Association Limited and Music Rights Australia Pty Limited. The rental cost is deemed to be under normal terms and conditions.

Clerical services expense of \$900,260 (2020: \$813,488) was charged to Australian Recording Industry Association Limited and Music Rights Australia Pty Limited.

There was no grant to the PPCA Performers' Trust Foundation during the year (2020: \$20,874)

### 18. Subsequent events

The continued public health restrictions including lockdowns in NSW and Victoria after 30 June 2021, in response to the impact of the delta variant of COVID-19, will delay the previously anticipated recovery of public performance licence fee income.

There has not been any matter or circumstance, other than that referred to above, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

### 19. Company details

The registered office and principal place of business of the company is:

Level 4, 11-17 Buckingham Street, Surry Hills, NSW 2010

# DIRECTOR'S DECLARATION

The directors of the company declare that:

1. The financial statements comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and accompanying notes, are in accordance with the Corporations Act 2001, and

(a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001; and

(b) give a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



**George William Ash**  
Director

Sydney, 19 October 2021

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of Phonographic Performance Company of Australia Limited “the Company”, which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors’ declaration.

In our opinion, the accompanying financial report of the Company, is in accordance with the Corporations Act 2001, including:

(a) giving a true and fair view of the Company’s financial position as at 30 June 2021 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 Code of Ethics for Professional Accountants “the Code” that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company’s directors report for the year ended 30 June 2019, but does not include the financial report and our auditor’s report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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.

## Responsibilities of Management and Those Charged with Governance for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, 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.

## Auditor’s Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s 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 Australian Auditing Standards 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, 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 on 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 auditor's report to the related disclosures in the financial report 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 auditor's 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 report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

*Melina Alexander*

M A ALEXANDER  
Partner  
19 October 2021

*Pitcher Partners*

PITCHER PARTNERS  
Sydney

# PPCA PERFORMERS' TRUST FOUNDATION

For the financial year ended 30 June 2021

	2021 \$	2020 \$
<b>Current assets</b>		
Cash and cash equivalents	76,856	59,016
Trade and other receivables	-	5
Other financial assets	-	50,000
<b>Total current assets</b>	76,856	109,021
<b>Total assets</b>	76,856	109,021
<b>Current liabilities</b>		
Trade and other payables	3,600	3,600
Grants allocated and unexpended at the end of the financial year held by trustess for beneficiaries	49,337	77,903
<b>Total current liabilities</b>	52,937	81,503
<b>Total liabilities</b>	52,937	81,503
<b>Net assets</b>	23,919	27,518
<b>Funds</b>		
Funds retained in the Trust	23,919	27,518
<b>Total funds</b>	23,919	27,518

The above statement of financial position should be read in conjunction with the accompanying notes.



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