



ANNUAL REPORT

2023

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HIGHLIGHTS

PPCA licensors and registered artists and groups continued to increase in 2022–2023, maintaining our unbroken succession of growth in that area since 1990. As the economic impact of COVID began to ease, both revenue and the resulting distributable surplus rose in 2022/2023

- Income up by 21.9% to 57,541,729
- Distribution up by 23% to 48,692,153

The PPCA Trust paid 10 grants. All related to further education.

REVENUE GENERATED

\$57,541,729

COST TO INCOME RATIO

15.4%

PUBLIC PERFORMANCE REVENUE

\$33,291,512

NUMBER OF LICENSORS

3,830

BROADCAST & ONLINE REVENUE

\$22,563,750

NUMBER OF REGISTERED ARTISTS

5,353

NET DISTRIBUTABLE REVENUE

\$48,692,153

CHAIRMAN'S REPORT

I am very pleased to present my first PPCA Chair report.

After a few grim years, 2022 finally saw something of a recovery from the impact of COVID. The December 2022 distribution of just over \$39.5M was 9% higher than the previous distribution. The positive trend in public performance income continued throughout the 2022/23 financial year, with overall revenue reaching \$57.6M and the distributable surplus, due for allocation in December 2023 reaching \$48.7M. Both these results being over 20% growth on the previous financial year.

Reflecting on 2023 highlights some key activity:

- Blanket licence scheme negotiations with both Free TV and CRA failed, resulting in references to the Copyright Tribunal;
- We continue to work alongside APRA to finalise a joint OneMusic Scheme for the use of music (recordings and works) at events (including ticketed music events and festivals); and
- PPCA renewed the long battle to remove the legislative caps on radio broadcast fees with the Radio Fair Play campaign, and welcomed the private member bill propounded by Senator Pocock.

It was a busy year politically. June 2023 saw the passing of the Creative Australia legislation in Federal Parliament, creating the way for the establishment of both Music Australia and the Centre for Arts and Entertainment Workplaces. PPCA continues to engage with Creative Australia and looks forward to contributing to these initiatives. On a State level, we joined the rest of the music industry in lobbying to make sure all parties elevated contemporary music as part of the 2023 NSW election,

through the Vote Music campaign. That campaign was successful, and we now look forward to working closely with the newly established SoundNSW, and contributing to the development of its strategic plan.

On a positive front:

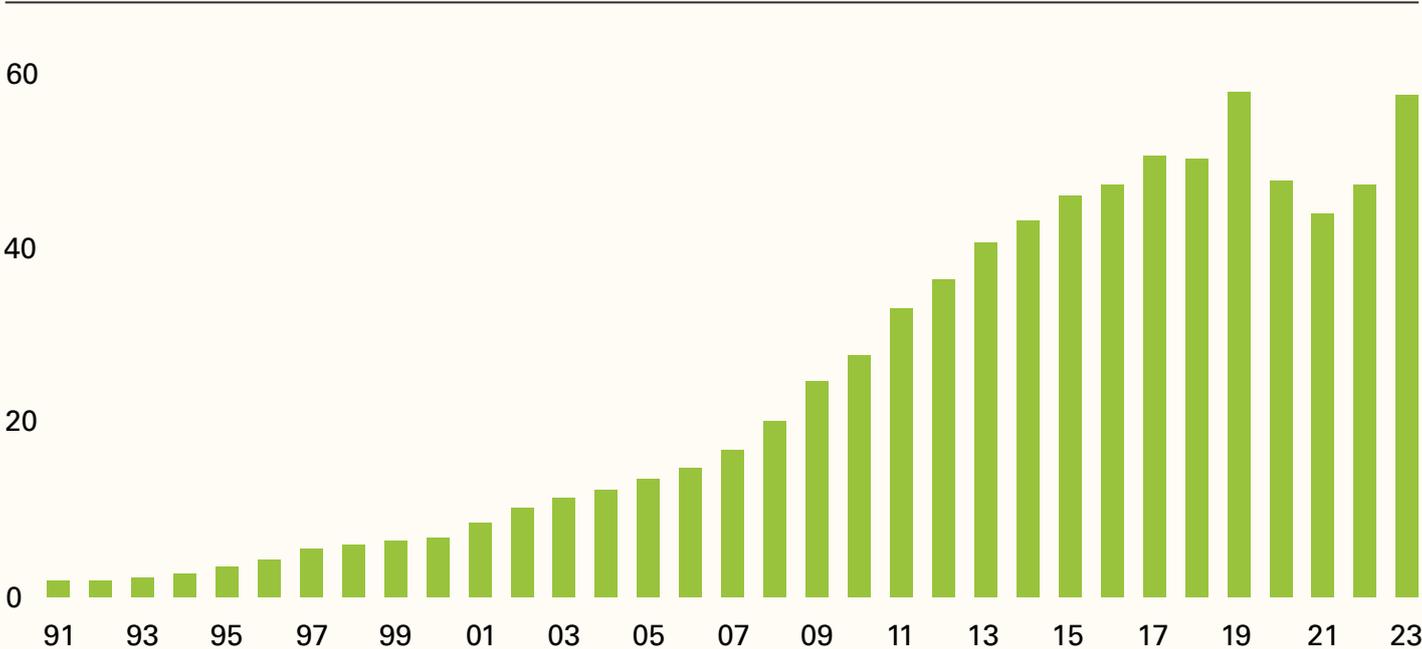
- Ten new PPCA sound recording grants, offered through our partnership with the Australia Council, were announced in June 2023. This was the 10th round of grants, and we are proud to have provided \$975k in recording grants to Australian musicians since 2013.
- We have been able to continue to support Australian artists through relationships with, amongst others, Support Act Limited (the music industry benevolent scheme) and Sounds Australia. We also continued the encouragement of developing artists through our sponsorship of the Breakthrough Artist Awards at the AIR Awards, for the seventh consecutive year. PPCA also partnered with ARIA to once again present the Best Independent Release award at the 2022 ARIA Awards.
- PPCA's Board Observership Program continued for another year. We welcomed Lauren Pelsler in March. I'd like to thank Lauren for her contribution during her Observership year, and look forward to continuing the initiative in 2024.

Finally, I would like to extend my thanks to the Board, Annabelle and all PPCA staff for their efforts this year. It has been a pleasure to work with you all again and I look forward to continuing to do so in 2024.

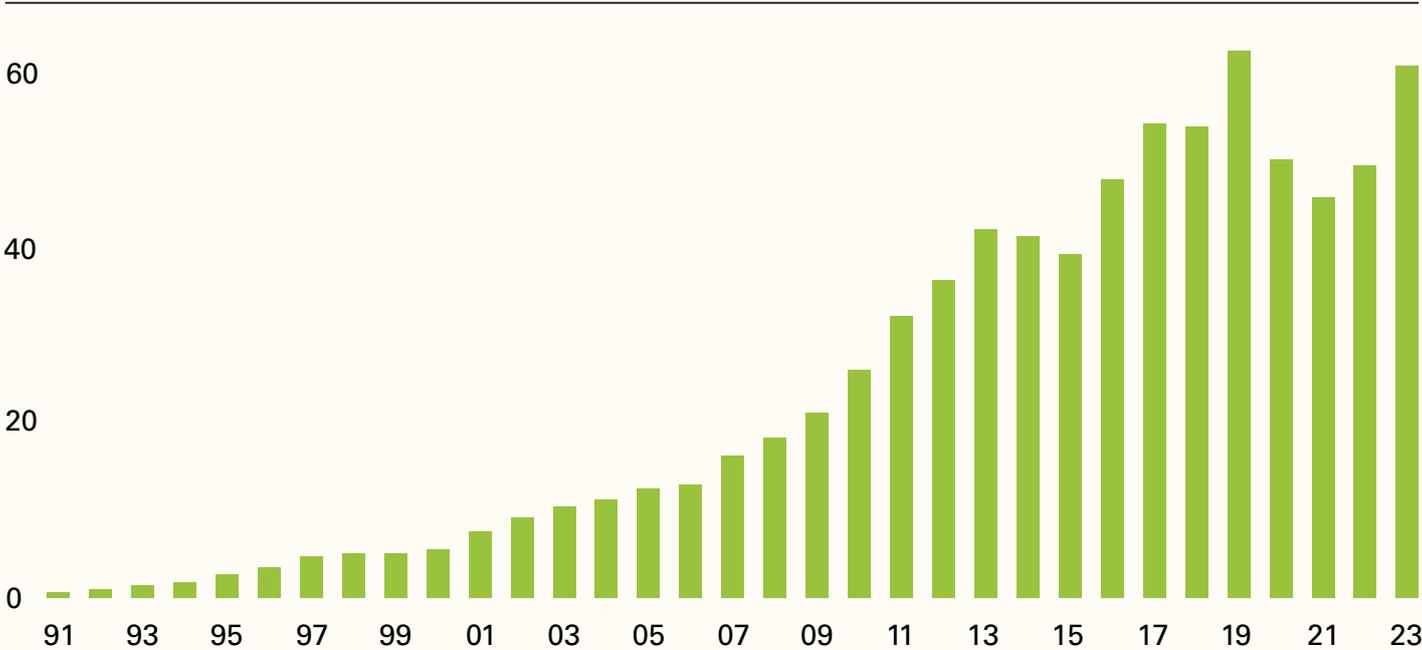
Josh Pyke
November 2023

SUMMARY

GROSS REVENUE (MILLIONS)



DISTRIBUTION (MILLIONS)



THE COMPANY

REGISTERED OFFICE

Level 3, 11–17 Buckingham
Street, Surry Hills, NSW 2010
A.C.N 000 680 704

BANKERS

Commonwealth Bank
of Australia

SOLICITORS

Gilbert + Tolbin

AUDITORS

Pitcher Partners Sydney

EXECUTIVE SECRETARIAT

Annabelle Herd
Chief Executive Officer

Julia Robinson
Head of Policy and Advocacy

Lynne Small
Chief Operating Officer

Rohini Sivakumar
Corporate Counsel—
Commercial

Linda Courtney
Manager, Distribution

Alistair Alderson
Manager, Business Technologies

DIRECTORS

Duncan Collins
Licensor Representative
Board Member

Dan Rosen
PPCA Board Member

Bill Cullen
PPCA Board Member

Sean Warner
PPCA Board Member

Vanessa Picken
PPCA Board Member

Kristy Gostelow
PPCA Licensor Representative
Board Member

Josh Pyke
PPCA Artist Representative
Board Member

JoAnne Volta
PPCA Artist Representative
Board member

BOARD MEMBERS

DUNCAN COLLINS LICENSOR REPRESENTATIVE BOARD MEMBER



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.

VANESSA PICKEN
PPCA BOARD MEMBER



Vanessa Picken is the CEO and Chair of Sony Music Entertainment Australia and New Zealand.

Vanessa brings over 15 years' experience in both the independent and major label music worlds and melds her passion for music with a razor-sharp focus on the intersection between audience, marketing and digital-led technology.

From the outset, Picken's focus has been global, whether it be studying International Business at the University of Technology in Sydney or working for telecommunications giants Nokia and T-Mobile after finishing her studies. After her time in telecommunications, Vanessa moved into music where she progressed through the ranks of EMI Australia to become the Digital Marketing Manager and, a year later, the Global Account Manager. A desire to challenge herself professionally saw her leave EMI in 2011 to found a label services business (before that term even existed) that would morph into global digital agency Comes With Fries in 2013.

In 2019, Picken moved from Sydney to Los Angeles to become Head of Digital at [PIAS] across America, Asia, Australia and New Zealand. Restructuring their digital workings across those regions paved the way for her to take on the Global Digital Strategy role in 2020 and, a year later, become Managing Director of the label.

Having returned to Australia midway through 2022 to head up Sony Music in Australia and New Zealand, Picken is the first woman to become a CEO and Chair of one of Australia's major labels.

In addition to her role at Sony Music Australia and New Zealand, Picken is also a Board member of the Sony Foundation, which is dedicated to improving the health and wellbeing of young Australians in need. Picken also remains in her role as the CEO of Comes With Fries, having grown the company outside of Australia to open offices in Los Angeles and London, giving her a first-hand understanding of the machinations of different global music market forces.

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 was elected as Artist Representative to the PPCA Board in early 2016, has been re-elected at the conclusion of each two year term, and in early 2023 was appointed PPCA Chair.

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.

SEAN WARNER
PPCA BOARD MEMBER



Sean Warner is President, Universal Music Australia & New Zealand, a division of Universal Music Group.

Prior to becoming President in January 2023, Sean played an integral role in the commercial growth and success of UMA. He has been an active member of the company's senior executive management team; most recently, he held the strategic role of Senior Vice President of Commercial, responsible for commercial growth, innovation, and digital development for UMA & New Zealand. Sean has led the company's commercial business for over 15 years, from physical sales to streaming, in addition to overseeing business strategy in Southeast Asia (SEA), launching Bravado's merchandise and licensing operations in the Australia & New Zealand (ANZ) region, and developing UMA's eCommerce business.

Prior to UMA, Sean held senior roles across Music, Media and Entertainment organisations, including BMG Interactive, Sony PlayStation, DMX Music and Foxtel; a career launched by his studies in Commerce, majoring in Accounting and Law. Sean is the Chair of the AMTD Fundraising committee for the music charity organisation SupportAct and is a passionate fan of Australian music and artists.

Sean is committed to continuing to build UMA as the number one home for artists and championing music culture across Australasia.

KRISTY GOSTELOW
PPCA LICENSOR REPRESENTATIVE
BOARD MEMBER



Director of Kadence Group, offering Artist Management, Music Business Mentoring and Grant Writing Services and Managing Director of Lovely Records with a roster of artists includes Aodhan, Busby Marou and Tia Gostelow.

Kristy has held senior management positions in various fields across Corporate, Government, and Non-Profit. She has managed teams, budgets, training, government contracts, events and sponsorship deals from education and training to finance, business development to youth work and within the music industry over the last 10 years.

Kristy is proud to have been awarded the 2021 APRA Lighthouse Award, Australia Day Award for Community Development and nominated for Young Business Person of the Year for Queensland's AIM Awards.

**JOANNE VOLTA
PPCA ARTIST REPRESENTATIVE
BOARD MEMBER**



JoAnne (Stevens) Volta is a songwriter, composer, and independent self-managed artist who is an advocate for musicians' rights. She has been involved in the music industry in all aspects for more than 30 years.

Graduating Law from UTAS in 1997, JoAnne is currently a legal consultant for a few select clients. Since 2002, she has assisted artists to exercise their rights in relation to recovery of copyrights and locate royalties.

JoAnne has prepared a number of ACCC submissions and was involved in writing the code of conduct for the International Music Managers forum. She was the first self-managed artist on the original Music Managers Forum Board in Australia

JoAnne and husband Paul formed The Sign in 1999. They are still performing, releasing music and videos and plan to head back overseas in 2023.

MANAGEMENT REPORT

We are pleased to report that PPCA had a very strong year in FY2022/23, which will lead to our second highest ever distribution in December 2023.

FINANCIAL

The financial results for the 2022/2023 year demonstrate the further easing of the COVID crisis, as more businesses have returned to normal trading. Overall revenues rose by almost 22% when compared to the previous year.

Public performance revenues, which had been the most heavily affected by COVID restrictions and shutdowns across the previous three financial years, saw the greatest improvement, with revenues up over 33% from 2021/2022.

The bulk of the total licencing revenue for 2022/2023 of \$55.8M fell into 3 major categories:

- Broadcasters (\$18.4M)
- Public performance (\$29.4M)
- Communication (\$8.0M)

The expense to revenue ratio was 15.4% compared to 16.1% for the previous financial year, reflecting the overall financial improvement.

In our last report we advised of ongoing licence renegotiations with both the FreeTV and Commercial Radio broadcast sectors. Unfortunately those discussions were unsuccessful, and in late December 2022 FreeTV referred a proposed television industry licensing scheme to the Copyright Tribunal. Regrettably commercial radio broadcasters, represented by Commercial Radio and Audio (CRA), were unwilling to consider any increase to their existing broadcast licence arrangements and, as a result, PPCA referred its proposed scheme to the Copyright Tribunal in May 2023. Hearings are currently scheduled for October 2024 (FreeTV) and April 2025 (CRA), respectively, and we look forward to putting our case forward in respect of the importance and value PPCA sound recordings bring to both television and radio broadcasts.

ONEMUSIC AUSTRALIA

OneMusic Australia (OMA) is the joint licensing initiative between PPCA and APRA AMCOS, providing blanket licences that cover rights for both sound recordings and musical works. It simplifies the music licensing process for businesses that publicly perform music, by providing a “one stop” location for all their common music licensing needs.

This is the fourth financial year since the launch of OMA. PPCA continues to work closely with APRA AMCOS to improve OneMusic Australia’s operations and respond to the evolving music licensing needs of small business.

DISTRIBUTIONS

The PPCA distribution for 2022/23 was made in late December 2023. Just under \$48.7M was distributed to PPCA licensors and registered Australian artists, with approximately 16.5% directed to PPCA licensors and registered artists based overseas.

Registered Artist and Licensor numbers continue to grow. As of 30 June 2023, PPCA had 3,830 Licensors representing major record companies, smaller record labels, rights management entities (e.g. foreign collecting societies or other entities representing a range of, generally smaller, rights owners) and independent copyright owners (for example, the recording artists themselves). At the same time, 5,353 Artists eligible under the Artist Direct Distribution Scheme had registered with PPCA.

During the period PPCA continued to transition Licensors and Registered Artists to the PPCA stakeholder portal, to benefit from online access to their statements and other financial documents, and the capacity to easily update their contact and banking information. Artists and Licensors can also easily change their portal configuration to “share” access with others, such as accountants, managers or other business advisers. The sharing facility is very flexible as it allows the account owners (ie artist or licensor) to specify the type of access (eg read only, or with edit rights), the range of access (eg to all details or any subset, such as distribution statements only) and for any period (a specific date range, or open ended) on an individual by individual basis. The Portal delivers efficiencies to the process of making payments and distributing annual statements, remittances and RCTIs, so PPCA continues to encourage all Licensors and Registered Artists to register for access as soon as possible, particularly given the phasing out of cheque payments and the need to provide, and maintain, up to date banking details.

MUSIC COMMUNITY SUPPORT AND ADVOCACY

PPCA has continued its longstanding support of the Australian recording industry through its partnerships and initiatives with other organisations, including Sounds Australia, Support Act, the Australian Independent Record Labels Association (AIR), the Arts Law Centre of Australia, the Copyright Council of Australia, the Australian Songwriters Association Awards and the Association of Artist Managers (AAM).

Recording Grants

During the year, PPCA continued its partnership with the Australia Council for the Arts (*now Creative Australia*) in respect of the recording grants partnership. To date, this partnership grants program has provided \$975,000 in creative grants to Australian recording artists.

In 2023 the Australia Council was able to match the funding provided by PPCA, resulting in 10 grants of \$15,000 being awarded. The recipients of the grants in 2023 were:

- **Jaydon Colvin, Victoria:** To write, record and release the debut album for East Gippsland group Outloved. Their music has over 5 million streams, and their debut EP landed #7 on the AIR (Australian Independent Records) Independent Charts. In 2022 they completed a national tour and returned to Melbourne for their first headline show, which sold out the infamous Cherry Bar.
- **Nick Gill, NSW:** For the recording and release of The Quokkas’ debut album *Songs For Everybody*. The Quokkas are a five-piece band of professional musicians, made up of different cultural backgrounds and physical abilities, who are focused on helping the next generation of Aussie children explore the world. Their new album aims to create songs that encourage children to be accepting and inclusive of everyday differences and diversity.

- **Jem Cassar-Daley, Queensland:** For the recording and release of Jem’s debut album, *Slow Down*, which explores themes of self-exploration and love. Jem is a proud Gumbaynggirr/Bundjalung woman who comes from a long line of storytellers. Jem creates a soundscape of soul, indie, pop grooves.
- **Coady Green, Victoria:** The pitched project, performed by pianist Coady Green, sees the recording and international release of the complete works for solo piano and chamber music (1991–2023) of Linda Kouvaras: the renowned senior Australian composer, musicologist, pianist, and Professor at Melbourne Conservatorium of Music, the University of Melbourne. The recording is to be completed for UK-based label Toccata Classics.
- **Eden Sher, Queensland:** Alf the Great is a proud Kalkadungu and Bidjira man of Mt. Isa and Canarvon Gorge, currently based in Melbourne/Naarm. Alf plans to release a six-track EP followed by two stand-alone singles. The EP and singles will showcase Alf’s signature style and feature collaborations with emerging South Sudanese/Australian artist Luaté, First Nations artist Glves, First Nations label-mates doyouloveme?, Denzel Kennedy, and Quinta.
- **Kaiit Waup, Victoria:** For the recording and release of the *And Off She Goes* EP; incorporating jazz, hip-hop and soul genres as Kaiit’s character Lil Mama, as she navigates her relationships, life journey and artistic aspirations. It will be the first work released in two years after winning an ARIA Award in 2019 for Best Soul/R&B Release.
- **Jamunajai Renaud, NSW:** Recording, production and mixing of four forthcoming singles by dancehall and reggae artist Gold Fang.
- **Deena Lynch, Queensland:** After four years of advocacy in the Australian music industry raising awareness of sexual harassment, systemic discrimination and bullying, Deena is now ready to put her artistry first and focus on the creation of her second album under Jaguar Jonze.
- **Anamika Jadunundun, Victoria:** Aarti Jadu Ensemble comprises nine diverse musicians who collaborate to perform hypnotic, long-form compositions that shed light on the intersection of music from spiritual/folk and electronic/club contexts. The album will be distributed nationwide and offshore through Nice Music.
- **Aviva Endean, Victoria:** The Cloud Maker is an improvising ensemble featuring six female-identifying and culturally diverse musicians: Te Kahurermoa Taumata (tāonga pūoro/voice), Sunny Kim (voice/electronics), Aviva Endean (clarinets/winds), Jasmin Win-Ying Leung (erhu), Freya Schack-Arnott (cello/nyckelharper), and Maria Moles (drums). The Cloud Maker will record their debut album and release it through Skinnyfish Music.

PPCA has also continued to administer the PPCA Performers Trust Foundation, providing grants to performers to continue their musical education. Further details about this year’s recipients can be found in the PPCA Trust Activities chapter of this report.

Board Observership Program

In March 2022, PPCA launched its Board Observership Program. The PPCA Observership Program has been established in partnership with The Observership Program, which was founded in 2014 to facilitate practical experience and ongoing networking opportunities to create a passionate and motivated community of future leaders. PPCA’s program helps to build capability by exposing talented individuals to the decision-making and operations of the PPCA Board and aligns with the Board’s goal to enhance the diversity and inclusiveness of boards within the Australian music industry. Two PPCA Board Observership positions have been offered for 2024, with one designated

for women and non-binary people and the other for First Nations people. Applications for the 2024 positions closed in late 2023, and the successful applicants will be announced in late January. We look forward to welcoming the two successful individuals in 2024, and facilitating access to the governance, ethics and other training and networking opportunities offered by The Observership Program.

Advocacy

During the reporting period PPCA continued to advocate to the Federal government on behalf of our licensors, recording artists, and the wider industry on matters that impact us all—including copyright, funding, strategic development and cultural change.

Revive, Australia’s first cultural policy in over a decade was launched in early 2023 announcing a music body—Music Australia—which sits within a new-look Creative Australia (formerly the Australia Council for the Arts).

PPCA, along with a united music industry, had called for the establishment of such a body to devote time and resources to ensure music thrives as a powerhouse within the cultural industries. A similar pattern was followed in NSW with a newly elected Minns Labor Government committing to Sound NSW, and the State’s first cultural policy thank to the combined effort of the #VoteMusic campaign.

During the year PPCA represented the industry at the series of Copyright Roundtables initiated by the Attorney General to consider potential reform in the areas of quotation, orphan works, AI, broadcast and educational licensing. We support the consultative approach taken by the Attorney-General through the roundtable process, and note the significant work undertaken by members of the Attorney-General’s Department in overseeing this process. This work is ongoing and we will continue to advocate for the protection of our stakeholders’ rights, and resist any proposed amendments that may undermine fair compensation for rights owners.

During 2023 PPCA reignited its longstanding campaign to have the Copyright Act amended to remove the inequitable limitations on the licences fees that radio broadcasters can be asked to pay for their use of sound recordings.

These radio “caps” were legislated 55 years ago and prevent PPCA, on behalf of the recording industry, from negotiating a fair rate for sound recording royalties for radio broadcasts. Currently, recording royalties for radio broadcasts are capped in two ways. First, for the ABC, the fee is capped at half a cent per head of population. For other radio broadcasters the rate is limited to no more than 1% of revenue. There is no such cap on the use of any other copyright material in Australia (including musical works) and we are also the only country in the world with such a cap. No other copyright user benefits from a legislated cap—including television broadcasters, schools, universities, libraries or small businesses such as nightclubs, gyms, shops, bars or restaurants.

In August 2023 Senator David Pocock introduced a private bill titled *Copyright Legislation Amendment (Fair Play for Radio Play) Bill 2023*, designed to remove these anachronistic caps. The Bill has been referred to the Senate Legal and Constitutional Affairs Committee for review, and the Committee will conduct hearings during March 2024.

PPCA will continue to advocate to all levels of government in support of the rights of creators and those who invest in them.

COMMUNICATIONS

PPCA sought to raise awareness of its role within music industry and public through a number of activities. These have included:

- Continuing to support Australian artists through relationships with, amongst others, Support Act Limited (the music industry benevolent scheme) and Sounds Australia.
- Continued the encouragement of developing artists through our sponsorship of the Breakthrough Artist Awards at the AIR Awards, for the seventh consecutive year.
- Sponsorship of the Best Independent Release at the 2022 ARIA Awards.
- Indie-Con 2023: members of PPCA's Distribution team returned to Indie-Con in August to answer questions from artists and labels and assist with signing up and registering tracks with PPCA.
- Funding advice to artists and organisations: as a member of the Australian Copyright Council (ACC), PPCA provides funding so the ACC may provide information about copyright and advice to Australian creators free of charge. PPCA also supports the Arts Law Centre of Australia, which provides legal advice to artists, including free advice to assist PPCA licensors develop their direct licensing policies.

PPCA continues to grow its online presence through the website, social media channels and email. These channels play an important role in reaching out to our licensors and artists, so as to provide them with critical information, including grant and program opportunities, COVID-19 related wellbeing and financial assistance, and the all important last date to register tracks for PPCA's annual distribution. We encourage all stakeholders to ensure they follow our social channels for important updates including, relevantly over the coming year, the progress of the Radio Fair Play campaign.

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. The compliance of the participating collecting societies with the Code is reviewed annually by the Code Compliance Reviewer. The form of the Code itself is reviewed every three years, and the most recent review occurred in 2022. Both the annual compliance review and the triennial review of the Code are undertaken independently and incorporate public consultation. The compliance review is currently undertaken by Hon Dr Kevin Lindgren AM QC and the Triennial Code review by the Hon Alan Robertson SC. A separate website is used as a central location to make all relevant material available to the public. The website is located at 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 each website page.

The report prepared by the independent Code Compliance Reviewer for the year ending June 2023 was published on 30 November 2023, and is available on the PPCA website and the standalone Code of Conduct website. Dr Lindgren's report concluded that, overall, there had been a high level of compliance with the Code.

THE YEAR AHEAD...

Despite ongoing economic challenges we are optimistic about the year ahead, and look forward to continuing improvements in our revenues and resulting distributions.

Strategic priorities continue to include revenue growth, collaborating with industry partners to champion cultural change, and advocacy on important issues for our stakeholders—such as copyright protection and broad industry support.

A key strategic priority remains the removal of the radio caps, and we welcome the opportunity to present to the Senate Committee in support of Senator Pocock’s proposed legislative amendments. For ongoing updates on PPCA’s activities please visit our [website](#), and connect with us via [Facebook](#), [X \(Twitter\)](#), [Instagram](#) and [LinkedIn](#).

PPCA PERFORMERS TRUST

PPCA TRUST ACTIVITIES

Since its inception, PPCA has funded and co-administered with the Musician's Union and the Media Entertainment and Arts Alliance (formerly Actor's Equity) the "PPCA Trust". The Trustees during the period 1 July 2022–30 June 2023 were Josh Pyke, 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 \$2,973,511 (up to 30 June 2023).

In the 2022–2023 year, four Trust meetings were held and 66 applications were put to the Trustees. Ten grants were paid during the period, totaling \$14,060. All of these grants related to further education.

THE NAMES OF THE RECIPIENTS ARE AS FOLLOWS:

Aiden Sullivan	1,500
Amanda Windred	1,500
Emilia Bertolini	1,000
Jonty Czuchwichi	1,750
Kia Gossner	1,500
Mia Stanton	1,000
Musicians Union of Australia	1,810
Rebecca Gullnello	1,500
Sarah Papadopoulos	1,000
Sophia Hanson-Kharnoi	1,500

The Trust Balance Sheet can be found on page 46 of this report.

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

SARAH PAPADOPOULOS

I am writing to express my sincerest thanks and gratitude for generously supporting my recent project in the Netherlands. The travel costs and logistical arrangements associated with such projects are a difficult task, and it's because of people like yourselves that these projects are made possible. I've written below a brief recount of my experiences. It was a highly beneficial trip for me in both a musical and networking capacity.

After completing my fellowship on 21 February, I stayed in Holland and arranged for a series lessons with a various world-class period instrument violinists. These musicians included; Shunske Sato, Lucy van Dael, Judith Steenbrink, Johannes Leertouwer, Sayuri Yamagata, Emmanuel Resche-Caserta, and Sophie Gent. These musicians play and/or Concertmaster some of the most prominent period instrument ensembles in the world, such as; the Netherlands Bach Society, Les Arts Florissants, Holland Baroque, and Ensemble Pygmalion. I gained so much from these lessons, for example exploring how to play in a "chin-off" style. My lessons with Sophie Gent in particular proved to be a very special experience. Sophie is originally from Perth and had a very similar musical education to me, so she understood entirely the school of thought my technique has come from, and was highly relatable to speak to about my career and ambitions. I found her most inspiring to about her musical journey, now being one of the most sought after Baroque violinists in Europe.

Having this intensive period away learning has helped my playing and approach to music enormously. I felt I was able to learn a lot during this period because I was granted the time away from my regular life to solely focus on practice. I hope to return again in the foreseeable future to continue to maintain my connections with the European Baroque music scene.

MUSICIANS UNION OF AUSTRALIA

Thank you to the Trustees for supporting the Tutorial. It is much appreciated in these trying times.

The Tutorial attracted 40 people aged from 15 to 75 and was much appreciated by all attendees. Lots of Questions and Answers were exchanged and explanations on the Blues voice training and the guitars that Fiona played.

Once again thank you for the Grant.

SPECIAL PURPOSES FINANCE REPORT

For the financial year ended 30 June 2023

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DIRECTORS' REPORT

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 2023. 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 Danny Rosen); 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
Dario Forato	(Alternate for Sean Warner) Chief Financial Officer, Record Company
Kristy Jane Gostelow	Managing Director, Record Company
Vanessa Picken	Chief Executive Officer, Record Company
Gordon James Pitt	(Alternate for Vanessa Picken) General Manager, Legal & Business Affairs, Record Company
Joshua Jon Pyke	Independent Artist
Danny Rosen	President, Record Company

David Andrew Vodicka	Managing Director, Record Company
JoAnne Kerry-Lea Volta	Independent Artist
Sean Warner	President, 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:

George William Ash Resigned 3 January 2023	Gordon James Pitt Resigned Director 21 February 2023 Appointed Alternate Director 9 May 2023
Karen Ann Don Resigned 21 September 2023	David Vodicka Resigned 30 June 2023
Dario Forato Appointed 16 January 2023	Sean Warner Appointed 9 January 2023
Kristy Jane Gostelow Appointed 1 July 2023	
Vanessa Picken Appointed 21 February 2023	

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 distribution to its licensors in relation to the current year was \$48,692,153 (2022: \$39,586,997).

The company's results for the financial year ended 30 June 2023 was a profit of \$nil (2022: \$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

There has not been any matter or circumstance, 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 \$48,692,153.

DIRECTORS' MEETING

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, 5 board meetings were held.

BOARD OF DIRECTORS	ELIGIBLE TO ATTEND	ATTENDED
George William Ash	3	3
Elizabeth Blakey (alternate for Danny Rosen)	1	1
Duncan Collins	5	4
David William De Barran Cullen	5	5

Karen Ann Don (alternate)	-	-
Dario Forato (alternate)	-	-
Kristy Jane Gostelow	-	-
Vanessa Picken	2	1
Gordon James Pitt (director / alternate)	4	3
Joshua Jon Pyke	5	4
Danny Rosen	5	4
David Vodicka	5	4
JoAnne Kerry-Lea Volta	5	4
Sean Warner	2	2

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



Joshua Jon Pyke
Director
30 October 2023
Sydney

AUDITOR'S INDEPENDENCE DECLARATION

For the financial year ended 30 June 2023

I declare that to the best of my knowledge and belief, during the year ended 30 June 2023 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



Melissa Alexander
Partner

Pitcher Partners
Sydney

30 October 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE

For the financial year ended 30 June 2023

	NOTE	2023 \$	2022 \$
REVENUE	5	56,115,188	47,286,209
INTEREST REVENUE CALCULATED USING THE EFFECTIVE INTEREST RATE METHOD		1,680,849	125,189
SUBSCRIPTION FEES PAID OR PAYABLE TO THE INTERNATIONAL FEDERATION OF PHONOGRAPHIC INDUSTRY		(408,257)	(387,166)
EMPLOYEE BENEFITS EXPENSE		(2,712,212)	(2,639,795)
DEPRECIATION AND AMORTISATION EXPENSE		(837,353)	(907,412)
FINANCE COSTS		(10,833)	(23,305)
DISTRIBUTION TO LICENSORS		(48,692,153)	(39,586,997)
LEGAL EXPENSES		(720,353)	(485,143)
PUBLIC PERFORMANCE COMMISSIONS		(3,293,269)	(2,461,376)
OTHER EXPENSES		(1,121,607)	(920,204)
PROFIT BEFORE INCOME TAX EXPENSE		-	-
INCOME TAX EXPENSE	6	-	-
PROFIT AFTER INCOME TAX EXPENSE		-	-
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 2023

		NOTE	2023 \$	2022 \$
CURRENT ASSETS	Cash and cash equivalents	7	938,279	879,663
	Trade and other receivables	8	3,824,249	3,369,711
	Other financial assets	9	63,595,750	50,892,801
TOTAL CURRENT ASSETS			68,358,278	55,142,175
NON-CURRENT ASSETS	Property, plant and equipment	10	384,609	637,265
	Right-of-use assets	11	1,015,813	475,546
TOTAL NON-CURRENT ASSETS			1,400,422	1,112,811
TOTAL ASSETS			69,758,700	56,254,986
CURRENT LIABILITIES	Trade and other payables	12	68,146,954	55,145,255
	Right-of-use liabilities	13	507,447	528,924
	Employee benefits	14	577,255	559,755
TOTAL CURRENT LIABILITIES			69,231,656	56,233,934
NON-CURRENT LIABILITIES	Right-of-use liabilities	13	511,842	-
	Employee benefits	14	15,193	21,043
TOTAL NON-CURRENT LIABILITIES			527,035	21,043
TOTAL LIABILITIES			69,758,691	56,254,977
NET ASSETS			9	9
EQUITY	Issued capital	15	9	9
TOTAL EQUITY			9	9

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

STATEMENT OF CHANGE IN EQUITY

For the financial year ended 30 June 2023

	SHARE CAPITAL \$	RETAINED EARNINGS \$	TOTAL \$
BALANCE AS AT 1 JULY 2021	9	-	9
Total comprehensive income for the year	-	-	-
BALANCE AS AT 30 JUNE 2022	9	-	9
Total comprehensive income for the year	-	-	-
BALANCE AS AT 30 JUNE 2023	9	-	9

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

STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2023

		NOTE	2023 \$	2022 \$
CASH FLOW FROM OPERATING ACTIVITIES	Receipts from customers		61,173,871	54,324,940
	Payments to suppliers and employees		(9,805,924)	(7,521,893)
	Distributions to licensors		(39,641,799)	(36,569,149)
	Interest Paid		(10,833)	(23,305)
	Net cash provided by operating activities		11,715,315	9,210,593
CASH FLOW FROM INVESTING ACTIVITIES	Interest received		1,680,849	125,189
	Net (payments for)/receipts from term deposits		(12,702,949)	(8,500,000)
	Payments for plant and equipment		(64,985)	(218,482)
	Net cash used in investing activities		(11,087,085)	(8,593,293)
CASH FLOW FROM FINANCING ACTIVITIES	Payment for the principle portion of lease liability		(569,614)	(540,336)
	Net cash used in financing activities		(569,614)	(540,336)
NET INCREASE IN CASH AND CASH EQUIVALENTS			58,616	76,964
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR			879,663	802,699
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		7	938,279	879,663

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

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 company is a not for profit entity.

The financial statements were authorised for issue by the directors on 30 October 2023.

2. BASIS OF PREPARATION

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards—Simplified Disclosures. This includes compliance with the recognition and measurement requirements of all Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the disclosure requirements of *AASB 1060 General Purpose Financial Statements—Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities 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').

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 2023 the company has a net current asset deficiency of \$873,378 (2022: \$1,091,759). Included in the company's current liabilities are aggregate amounts representing the licence fees received in advance of \$299,670 (2022: \$353,332) and amounts payable to licensors of \$48,183,645 (2022: \$39,133,291). While the amount payable to the licensors will be settled in December 2023, 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 2023.

Consequently, the net current asset deficiency position at the 30 June 2023 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; incurrence 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 OF 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—revenue 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 for receivables and payables which are recognised inclusive of GST.
- 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

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 depreciated 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.

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.

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

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

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 REVENUE		2023 \$	2022 \$
REVENUE FROM CONTRACTS WITH CUSTOMERS	Licence fees	55,855,263	47,062,369
OTHER REVENUE	Rent received	254,308	217,138
	Sundry revenue	5,617	6,702
		<u>259,925</u>	<u>223,840</u>
TOTAL REVENUE		56,115,188	47,286,209

6. EXPENSES

Profit before income tax includes the following specific expenses:

	2023 \$	2022 \$
Superannuation expense—defined contribution plans	288,615	270,277
Provision for doubtful debts	84,728	-
Interest & finance charges	10,833	23,305

7. CASH AND CASH EQUIVALENTS

Cash at bank & on hand	938,279	879,663
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8. TRADE AND OTHER RECEIVABLES

Trade receivables	1,017,748	1,044,816
Allowance for expected credit loss	(93,471)	(87,379)
	<u>924,277</u>	<u>957,437</u>
Prepaid expenses	134,187	178,823
Other licence receivables	2,111,677	2,056,700
Other receivables	654,108	176,751
	<u>3,824,249</u>	<u>3,369,711</u>

9. OTHER FINANCIAL ASSETS

FINANCIAL ASSETS AT AMORTISED COST	Term deposits	63,595,750	50,892,801
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10. PROPERTY, PLANT AND EQUIPMENT

	OFFICE FURNITURE AND EQUIPMENT AT COST \$	MOTOR VEHICLES AT COST \$	SOFTWARE \$	COMPUTER EQUIPMENT AT COST \$	LEASEHOLD IMPROVEMENTS AT COST \$	TOTAL \$
COST						
Balance at 1 July 2021	300,867	33,409	3,572,486	377,906	611,702	4,896,370
Additions	-	-	218,482	-	-	218,482
Disposals	-	-	(30,120)	-	-	(30,120)
BALANCE AT 30 JUNE 2022	300,867	33,409	3,760,848	377,906	611,702	5,084,732
Additions	1,591	-	61,039	2,355	-	64,985
Disposals	(1,778)	-	(112,497)	(15,583)	-	(129,858)
BALANCE AT 30 JUNE 2023	300,680	33,409	3,709,390	364,678	611,702	5,019,859
ACCUMULATED DEPRECIATION						
Balance at 1 July 2021	(279,376)	(33,409)	(2,803,082)	(361,378)	(611,702)	(4,088,947)
Depreciation expense	(16,007)	-	(365,373)	(7,260)	-	(388,640)
Disposals	-	-	30,120	-	-	30,120
BALANCE AS AT 30 JUNE 2022	(295,383)	(33,409)	(3,138,335)	(368,638)	(611,702)	(4,447,467)
Depreciation expense	(5,126)	-	(306,035)	(6,480)	-	(317,641)
Disposals	1,778	-	112,497	15,583	-	129,858
BALANCE AT 30 JUNE 2023	(298,731)	(33,409)	(3,331,873)	(359,535)	(611,702)	(4,635,250)
NET BOOK VALUE						
As at 30 June 2022	5,484	-	622,513	9,268	-	637,265
As at 30 June 2023	1,949	-	377,517	5,143	-	384,609

11. RIGHT-OF-USE ASSETS

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

	2023 \$	2022 \$
Buildings	1,059,979	2,031,867
Provision for depreciation	(44,166)	(1,556,321)
	<u>1,015,813</u>	<u>475,546</u>
Depreciation charged to profit & loss	519,712	518,772

12. TRADE AND OTHER PAYABLES

	2023 \$	2022 \$
Trade and other payables	19,367,081	15,394,676
Goods and services tax payable	296,558	263,956
Licence fees received in advance	299,670	353,332
Amounts payable to licensors	48,183,645	39,133,291
	<u>68,146,954</u>	<u>55,145,255</u>

13. LEASE LIABILITIES

	2023 \$	2022 \$
Current	507,447	528,924
Non-current	511,842	-
<i>Future Lease payments</i>		
Within one year	555,796	535,552
One to five years	525,779	-
	<u>1,081,575</u>	<u>535,552</u>

14. EMPLOYEE BENEFITS

	2023 \$	2022 \$
CURRENT		
Employee benefits	577,225	559,755
NON-CURRENT		
Employee benefits	15,193	21,043

15. ISSUED CAPITAL

	2023 \$	2022 \$
9 fully paid ordinary shares (2022:9)	9	9

		2023		2022	
		NO.	\$	NO.	\$
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.

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:

		2023 \$	2022 \$
	Short-term employee benefits	1,034,752	1,000,356
	Post-employment benefits	108,649	100,036
		<u>1,143,401</u>	<u>1,100,392</u>

17. RENUMERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by Pitcher Partners, the auditor of the company:

		2023 \$	2022 \$
	Audit of the financial statements	41,000	41,000
	Preparation of the tax return	5,400	5,100
		<u>46,400</u>	<u>46,100</u>

18. CAPITAL COMMITMENTS

The company has no capital commitments at reporting date (2022:nil).

19. 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 8 to the financial statements. Amounts receivable from related parties are unsecured, non-interest bearing and are repayable at call.

Rental income of \$254,308 (2022: \$217,138) 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 \$957,302 (2022: \$979,373) 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 (2022: \$Nil)

20. SUBSEQUENT EVENTS

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

DIRECTORS' 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—Simplified Disclosures and the Corporations Regulations 2001; and
 - b. give a true and fair view of the company's financial position as at 30 June 2023 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:



Joshua Jon Pyke
Director
30 October 2023
Sydney

INDEPENDENT AUDITOR'S REPORT

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 2023, 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 2023 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards – Simplified Disclosures 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 (Including Independence Standards)* "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 2023, 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—Simplified Disclosures 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:

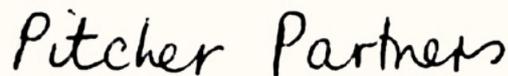
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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.



Melissa Alexander
Partner
30 October 2023



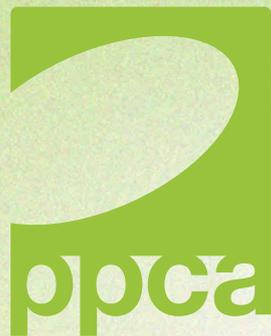
Pitcher Partners
Sydney

PPCA PERFORMERS' TRUST FOUNDATION

For the financial year ended 30 June 2023

		2023 \$	2022 \$
CURRENT ASSETS	Cash and cash equivalents	29,286	46,785
	Trade and other receivables	18	4
TOTAL CURRENT ASSETS		29,304	46,789
TOTAL ASSETS		29,304	46,789
CURRENT LIABILITIES	Trade and other payables	3,600	3,600
	Grants allocated and unexpected at the end of the financial year held by trustees for beneficiaries	8,802	22,862
TOTAL CURRENT LIABILITIES		12,402	26,462
TOTAL LIABILITIES		12,402	26,462
NET ASSETS		16,902	20,327
FUNDS	Funds retained in the Trust	16,902	20,327
TOTAL FUNDS		16,902	20,327

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



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