

**2022
PPCA ANNUAL
REPORT**



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HIGHLIGHTS

\$39,586,997

NET DISTRIBUTABLE
REVENUE

\$47,194,260

REVENUE GENERATED

3,563

NUMBER OF LICENSORS

\$22,123,144

BROADCAST & ONLINE
REVENUE

\$24,939,254

PUBLIC PERFORMANCE
REVENUE

16.1%

COST TO INCOME
RATIO

\$5,138

REGISTERED ARTISTS

CHAIRMAN'S REPORT

After two very challenging years, we are finally seeing a slow return to normal.

As expected, a challenging 2021 affected the amount we were able to distribute to registered artists and labels in December 2021. The 2021 distribution of just over \$36.4M was the lowest since 2015, reflecting the extensive and extended shutdown of businesses that use recorded music, such as restaurants, clubs, pubs, gyms, events, and retail. Fortunately the easing of the COVID-19 crisis around the country led to improvement in PPCA's public performance revenues throughout the 2021/22 financial year, and there are now promising trends for the coming year. Overall revenue for the year rose to \$47.2M and the distributable surplus, due for allocation in December 2022, to \$39.6M.

Despite the unexpected disruption early in our transition process, the move to joint licensing through the OneMusic initiative remains a successful one, and offers users of music — particularly small business — a streamlined one-stop destination for the acquisition of music licences. One tariff scheme remains under consultation following the launch of One Music Australia — that relating to the licensing of events. Negotiations between PPCA, APRA, relevant licensees and representatives of the live performance sector continue, and we expect that an updated joint scheme will be well established by the time I next report.

2022 saw the conclusion of the existing blanket agreement with FreeTV, and we are in the throes of negotiating a new scheme for the sector, with interim arrangements agreed. We have also initiated discussions with CRA on blanket broadcast arrangements for the commercial radio sector, to take effect from 1 July 2023.

The Raising Their Voices report was released in August 2022 following the Music Industry Review into Sexual Harm, Sexual Harassment and Systemic Discrimination. PPCA joined other leaders in the Australian contemporary music industry in accepting and apologising for the distressing findings of the Review, and the harm documented in the report. We are committed to undertaking the work required to ensure that our workplaces are safe, inclusive and respectful.

As we emerge from a very trying time, there are some positive things I can report:

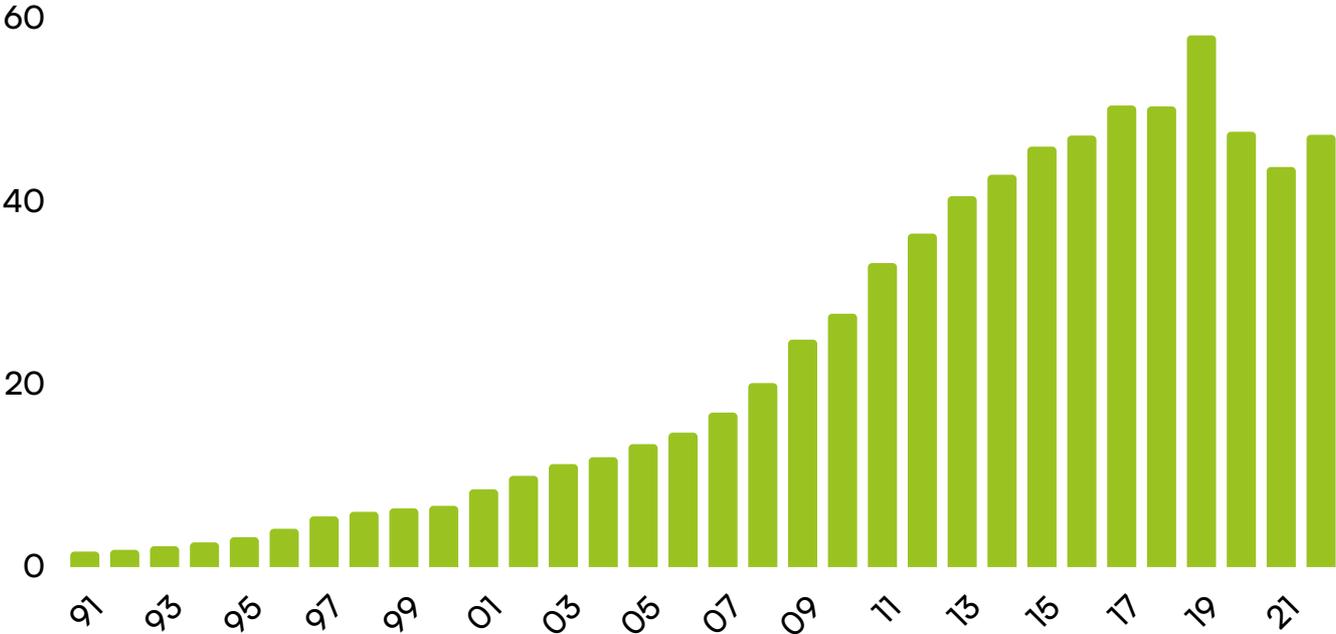
- PPCA's artist and label registrations continue to steadily increase.
- The PPCA Portal was launched and the rollout across the stakeholder community continues.
- A productive PPCA Strategy Day was held in July. I would like to thank the PPCA Management Team and all Board Members for their attendance and active engagement.
- We once again partnered with the Australia Council and provided another ten \$15,000 sound recording grants under the PPCA Australia Council grants program. To date this program has provided an amazing \$825,000 in creative grants to Australian musicians, and has assisted in the realisation of some amazing recording projects.
- We have also 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 sixth consecutive year. PPCA also partnered with ARIA to present the Best Independent Release award at the 2021 ARIA Awards.
- This year saw the introduction of the PPCA Board Observership Program. I would like to thank our inaugural Board observer, Kristy Gostelow, for her valuable contribution during the year. It is great to be able to contribute to the development of members of the Australian music community by offering talented and motivate individuals this opportunity. The initiative, delivered in partnership with The Observership Program, not only provides participants with access to the Board, but supplements that practical experience with training on ethics and governance, and networking opportunities within the broader Observership Program cohort. We are thrilled to expand this initiative for 2023 and offer an additional Observership position for a First Nations person.
- Throughout the year PPCA continued to work closely with the whole of our industry in lobbying for COVID relief, supporting vaccination take up through the Vax The Nation campaign, and making representations to Government to assist the development of the much needed National Cultural Policy.

Finally, I would like to extend my heartfelt thanks to the Board, Annabelle and all PPCA staff for their efforts this year. It has been a pleasure to work with you all for another year and I look forward to continuing to do so in 2023.

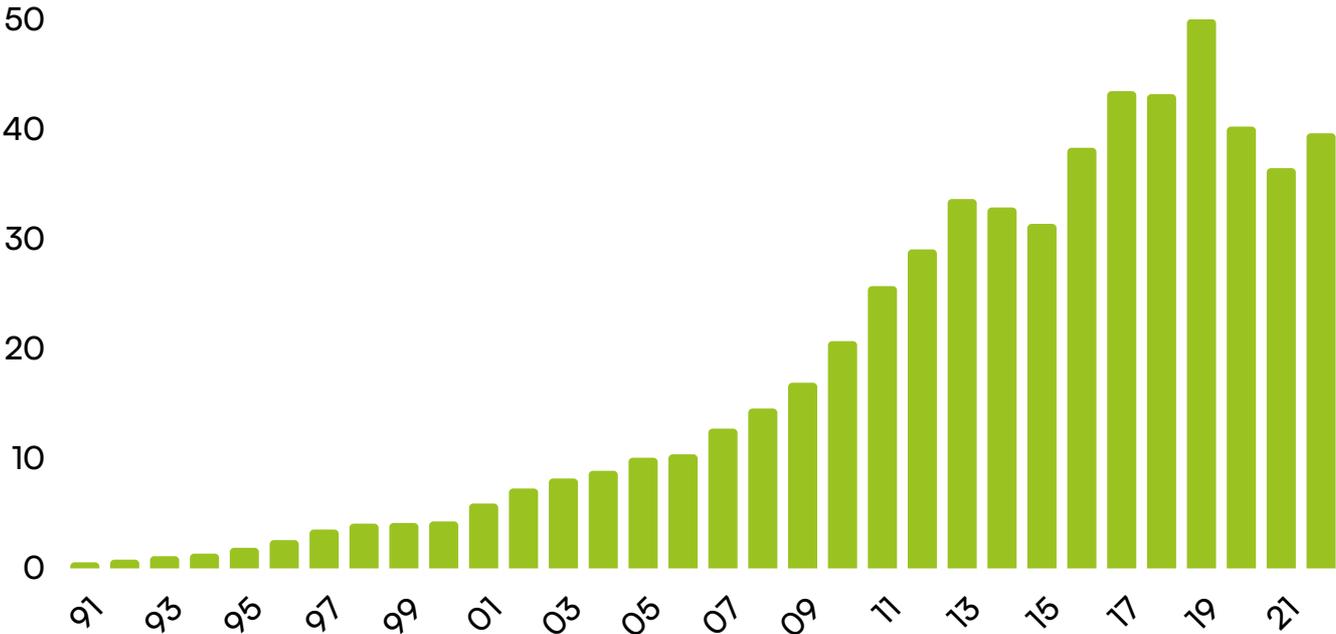
George Ash
November 2022

SUMMARY

GROSS REVENUE (MILLIONS)



DISTRIBUTION (MILLIONS)



THE COMPANY

REGISTERED 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

George Ash
PPCA Board Chairman

Duncan Collins
Licensor Representative

Bill Cullen
PPCA Board Member

Gordon Pitt
PPCA Board Member

Josh Pyke
PPCA Arist Representative
& Board Member

Dan Rosen
PPCA Board Member

David Vodicka
PPCA Licensor Representative
& Board Member

JoAnne Volta
PPCA Artist Representative
& Board Member

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 **PPCA 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.

BOARD MEMBERS

GORDON PITT **PPCA 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 a lawyer, policy advisor, musician and 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, 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.

BOARD MEMBERS



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.



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.



KIRSTY GOSTELOW **PPCA Board Observership Program - 2022**

Kirsty Gostelow is Director of Kadence Group, offering Artist Management, Music Business Mentoring and Grant Writing Services and Managing Director of Lovely Records.

Gostelow has held senior management positions in a diverse range of 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.

Gostelow was 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.

Kadence Group's roster of artists includes Aodhan, Busby Marou and Tia Gostelow.

MANAGEMENT REPORT

2022 was a year of mixed fortunes for PPCA and the wider music industry. Although conditions have vastly improved from the previous two years, with businesses resuming their music licensing obligations and revenues slowly rising to pre-pandemic levels, the ripple effects of COVID-19 are still being felt across the industry in the form of frequent COVID-related cancellations of live music events, venues closures and skill shortages. Global economic events leading to inflation and rising costs has inevitably had a negative effect on the industry and slowed its recovery. In the light of these conditions, PPCA continues to work with its partners to advocate for ongoing support for the music industry.

In December 2021, Lindy Morrison OAM retired from the PPCA after 27 years as a PPCA Artist Representative Board Member. During her tenure, Lindy was a fierce and passionate advocate for recording artists, and we would like to thank Lindy for her immense contribution. We wish her all the best for the future.

FINANCIAL

The financial results for the 2021/2022 year show some improvement from the easing of the COVID crisis, as more businesses have resumed normal trade and re-engaged with their music licensing. Overall revenues rose by 8% when compared to the previous year which was reduced as a result of ongoing lockdowns, particularly those in Sydney and Melbourne.

Public performance revenues, the most heavily affected by COVID restrictions and shutdowns, saw the greatest improvement, with revenues up 20% from 2020/2021.

The bulk of the total licencing revenue for 2021/2022 of \$47.2M fell into 3 major categories:

- Broadcast (\$18.4M)
- Public performance (\$24.9M)
- Communication (\$3.8M)

Expense to revenue ratio was 16.1% compared to 16.6% for the previous financial year, reflecting the overall financial improvement.

In 2022, PPCA's industry blanket agreement for broadcasting and digital rights with FreeTV concluded. PPCA and FreeTV are closely working together, with negotiations for a new scheme underway. Discussions are also underway with Commercial Radio Australia on blanket broadcast arrangements for the commercial radio sector.

ONEMUSIC AUSTRALIA

OneMusic Australia 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.

This is the third financial year since the launch of OMA. PPCA continues to work with APRA AMCOS to improve OneMusic Australia's operations, reviewing the licensing schemes already in place while looking at where we can deliver more joint licensing schemes.

Consultations regarding the proposed Events tariff (Promoted Events and Eligible Outdoor Events) are now well advanced, and we expect the new arrangements to come into operation in January 2023.

DISTRIBUTIONS

The PPCA distribution for 2021/22 was made in late December 2022. Just over \$39.5M was distributed to PPCA licensors and registered Australian artists, with approximately 14.6% directed to PPCA licensors and registered artists based overseas.

Registered artists and Licensor numbers continue to grow. As of 30 June 2022, PPCA had 3,563 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, 5,138 Artists eligible under the Artist Direct Distribution Scheme had registered with PPCA.

In late 2021 the PPCA Portal launched, and the rollout to all Licensors and Registered Artists is well underway. The Portal currently enables users to see their statements and other financial documents in one place and update their contact and banking information. Users also have the option to share access to the portal with whomever they want, such as their manager or financial advisor. 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.

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 in respect of the recording grants partnership. To date, this partnership grants program has provided \$825,000 in creative grants to Australian recording artists. In 2022 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 2022 were:

- **Nina Wilson:** On the cusp of breaking internationally, Ninajirachi has established a strong local following off the back of a string of compelling singles and EPs. This project will be her debut full-length studio album.
- **Matthew Keegan:** The Australian saxophonist, composer and Freedman Jazz Fellow formed band The Three Seas by bringing together five singular artists from diverse backgrounds including Baul, Himalayan and Bengali Hindu. The band intends to record their fourth album and next major touring production, Vimana at Peter Gabriel's Real World Studios (RWS).
- **Angela (Angie) Hart:** The Australian pop singer is crafting and promoting her third solo album which features experiences from 30 years of writing, recording and performing alongside some of the world's greatest songwriters. This project will be her most significant work to-date, identifiable in its universal humanness and touching on subjects like mental health, intergenerational trauma, domestic abuse, infertility, and grief.
- **Lucas Abela:** Creating and promoting a collaborative album that fuses his textural glass noise with the thunderous drumming talent of Zach Hill from Death Grips. The idea for the project was inspired from lockdown for a sound better suited to an audience listening remotely.
- **Taka Perry:** Incorporating learning experiences from the pandemic, the Australian-Japanese artist is developing and releasing a dual-language debut EP with each release recorded in the country's mother tongue, both English and Japanese. The project will also integrate partnerships with native artists that help to cross-pollinate musical ventures and establish stronger bilateral relationships.
- **Natalie Bartsch:** The Melbourne-based award-winning pianist and composer is recording Hope Renewed, a jazz/post-rock reinterpretation of her 2021 album, Hope. The album aims to join her two worlds, as a neoclassical pianist and a jazz and classical composer, providing a unique foothold into the international market.
- **Tiana Naug:** Melbourne-based future soul artist, Tiana Khasi, will record her debut LP, Balm, which will continue to honour her Samoan and Indian culture and communities. The project will contain two contrasting sides: the A-side highlighting jazz and soul music roots; and the B-side, paying homage to dance music.
- **Ryan Hutcheson:** As a long-time collaborator with critically acclaimed Barkindji Song Woman, Nancy Bates, the pair have made several songs together and will now embark on recording a full-length album that is of cultural and humanitarian importance. The project will consist of new compositions and reworkings of previously unreleased songs.
- **Christopher Moses:** The manager of Australian punk group, Frenzal Rhomb, working with highly influential producers to record a new album for the band. The project was started in 2018 but was stalled because of the pandemic and significant financial losses. The album will be the longest between releases.
- **Tania Frazer:** Recording five new works featuring Southern Cross Soloists (SXS) Digeridoo Soloist in Residence, Wakka man Chris Williams, to showcase the culturally distinctive instrument and honour unique First Nation's cultural practices.

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 2023, with one designated for women and non-binary people and the other for First Nations people. Applications for the 2023 positions closed in late September 2022, and the successful applicants will be announced in late January.

We look forward to welcoming the two successful individuals in 2023, 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.

Earlier this year the Albanese Government launched consultations for a new **National Cultural Policy** that will provide a framework for Australia's arts, entertainment and creative industries. PPCA called on the Government to provide urgent investment in First Nations artists, funding to improve music exports and the ability of local artist to access foreign markets and audiences, and amendments to the Copyright Act to stop the arbitrary discrimination of sound recording rights holders' ability to be fairly remunerated. PPCA also joined with other music industry bodies to call for the formation of a federal music development agency that would take a strategic approach to funding and addressing industry-wide matters. In relation to the Copyright Access Reform Bill PPCA opposed the introduction of additional exceptions that would undermine current licensing arrangements and fair compensation to rights owners, while supporting amendments that would facilitate legitimate fair access to materials for non-commercial purposes.

Late in the year, the Government announced it would undertake a comprehensive **review of Australia's copyright regime** with an issues paper released in December. PPCA looks forward to engaging with the Government in 2023 to ensure that Australia's copyright regime continues to protect sound recording rights owners and better enable recording artists to be fairly remunerated for their works.

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 sixth consecutive year.
- Sponsorship of the Best Independent Release at the 2021 ARIA Awards: 2021 marked the first year PPCA sponsored the Best Independent Release award, celebrating independent Australian artists, having previously sponsored the Breakthrough Artist category, now renamed the Michael Gudinski Breakthrough Artist Award in honour of the late industry icon Michael Gudinski. Nominees included Ball Park Music's self-titled Ball Park Music, Vance Joy's Missing Piece, The Songs of Charcoal Lane by Archie Roach, and Crossover by Emma Donovan and the Putbacks. On the night the award was won by Genesis Owusu for his album Smiling with No Teeth, which also took out the ARIAs for Album of the Year, Best Hip Hop Release and Best Cover Art.
- Indie-Con 2022: after being unable to attend in-person for several years due to the pandemic, 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), 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 (including launching the official PPCA Instagram profile) 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.

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 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 2022 was published on 1 December 2022, 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 Triennial Code Reviewer (The Hon Alan Robertson, SC) released his report on the operation of the Code on 31 March 2022. The report is extensive but, in summary, recommended only a minor amendment which was effected in the updated version of the Code, which came into effect in May 2022.

MUSIC INDUSTRY REVIEW

This year, PPCA joined over 50 industry organisations to commission the Music Industry Review report into sexual harm, sexual harassment, and systemic discrimination in the Australian contemporary music industry. Consultation, led by Alex Shehadie and Sam Turner from MAPN.

Consulting, commenced in February with interviews, focus groups and an industry-wide survey. Participation was encouraged through PPCA's networks to ensure as many industry voices as possible could be heard.

"Raising their Voices", the final report, was published in September 2022 with stories and statistics pointing to high rates of harm combined with low rates of reporting. The report also found that women do not thrive to the same extent as men and that bullying, including gender and race-based bullying, was a common issue. However, the report also profiled a passionate industry that is willing to hold a mirror up to itself and to take on cultural change. The report outlined 17 key recommendations to address that change.

PPCA, alongside industry organisations and leaders, spearheaded the immediate response by industry in completing one of the recommendations — a letter acknowledging harm. The letter, signed by over 100 organisations and individuals, also went further by apologizing to those in the industry who had experienced harm. PPCA continues to work through the recommendations and, alongside other industry organisations, is lobbying the Albanese-government to partner with industry to address these issues across music and the creative industries.

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.

We look forward to the release of the National Cultural Policy, and trust that it will recognise the enormous contribution of music — both culturally and economically.

For ongoing updates on PPCA's activities please visit our website (www.pcca.com.au), and connect with us via Facebook (www.facebook.com/pcca.official), Twitter (www.Twitter.com/ppca), Instagram (pcca.official) and LinkedIn (PPCA).

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 2021 – 30 June 2022 were George Ash, 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 \$2,959,451 (up to 30 June 2022).

In the 2021-2022 year, four Trust meetings were held and 50 applications were put to the Trustees. Fifteen grants were paid during the period, totaling \$28,475. All of these grants related to further education.

THE NAMES OF THE RECIPIENTS ARE AS FOLLOWS

ALEXANDRA GRAVE	DAISY OU	JESSICA LOUISE SCOTT
BREA HOLLAND	EMILE BERTOLINI	JOYCE CHAINE
BRIANNA LOUWEN	GABRIELLA ALBERTI	KATHERINE WALLER
CAMERON SIBLY	HANA HART	OLIVIA SANDERS ROBINSON
CIARA SUDLOW	HAYDNEY RYAN	RAJIV JAYAWEERA

The Trust Balance Sheet can be found on page 36 of this report.

PERFORMERS TRUST TESTIMONIALS

SPARK (OLIVIA) SANDERS ROBINSON

Thank you for supporting my studies at the Royal Northern College of Music. I am so grateful for your generosity and have enjoyed every minute of this incredible opportunity.

Spark (Olivia) Sanders Robinson,
Masters of Music Performance (Voice: Mezzo Soprano),
Royal Northern College of Music, Manchester

CHRISTIE ECKERSLEY

I am so grateful for the wonderful experiences and development I have had, and for your assistance in that.

I want to thank you again for your input into the development of my career and look forward to what this next year may hold as a young artist.

Christie Eckersley,
Attendee at Berlin Opera Academy Summer School

SPECIAL PURPOSES FINANCE REPORT

For the financial year ended 30 June 2022

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19 AUDITOR'S INDEPENDENCE DECLARATION

20 ANNUAL FINANCIAL REPORT

- Statement of profit or loss and other comprehensive income
- Statement of Financial Position
- Statement of Cash Flows
- Statement of Changes in Cash Flow
- Notes to the Financial Statements

35 DIRECTOR'S DECLARATION

36 INDEPENDENT AUDITOR'S REPORT

DIRECTOR'S REPORT

For the financial year ended 30 June 2022

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 2022. 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
Belinda Morrison	Independent Artist
Gordon James Pitt	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
JoAnne Kerry-Lea Volta	Independent Artist

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

Gordon James Pitt	Appointed 19 July 2021
Belinda Morrison	Resigned 3 January 2022
JoAnne Kerry-Lea Volta	Appointed 26 January 2022

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 continue to be negatively affected by COVID-19 lockdowns of customers and venues in different States from time to time, albeit to a lesser degree than the prior year.

The company's distribution to its licensors in relation to the current year was \$39,586,997 (2021: \$36,411,530).

The company's results for the financial year ended 30 June 2022 was a profit of \$nil (2021: \$nit).

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 \$39,586,997.

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	6
Elizabeth Ann Blakey (Alternate for Danny Rosen)	1	1
Duncan Collins	6	6
David William De Barran Cullen	6	6
Karen Ann Don (Alternate)	-	-
Belinda Morrison	4	4
Gordon James Pitt	6	6
Joshua Jon Pyke	6	5
Danny Rosen	6	5
David Andrew Vodicka	6	6
JoAnne Kerry-Lea Volta	2	1

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations 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 *Corporations 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

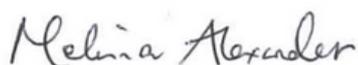

George William Ash
Director
Sydney, 1st November 2022

AUDITOR'S INDEPENDENCE DECLARATION

For the financial year ended 30 June 2022

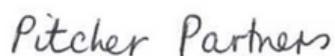
I declare that to the best of my knowledge and belief, during the year ended 30 June 2022 there have been no contraventions of:

- 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

1 November 2022



Pitcher Partners
Sydney

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 June 2022

	NOTE	2022 \$	2021 \$
Revenue	5	47,286,209	43,676,626
Interest revenue calculated using the effective interest rate method		125,189	193,066
Subscription fees paid or payable to the International Federation of Phonographic Industry		(387,189)	(360,730)
Employee benefits expense		(2,639,795)	(2,708,502)
Depreciation and amortisation expense		(907,412)	(900,945)
Finance costs		(23,305)	(38,897)
Distribution to licensors		(39,586,997)	(36,411,530)
Legal expenses		(485,143)	(140,737)
Public performance commissions		(2,461,376)	(2,551,947)
Other expenses		(920,204)	(756,404)
Profit before income tax expense	6	-	-
Income tax expense		-	-
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 2022

	NOTE	2022 \$	2021 \$
Current Assets			
Cash and cash equivalents	7	879,663	802,699
Trade and other receivables	8	3,369,711	4,571,523
Other financial assets	9	50,892,801	42,392,801
Total current assets		55,142,175	47,767,023
Non-current assets			
Property, plant and equipment	10	637,265	807,423
Right-of-use assets	11	475,546	994,318
Total non-current assets		1,112,811	1,801,741
Total assets		56,254,986	49,568,764
Current liabilities			
Trade and other payables	12	55,145,255	47,980,366
Right-of-use liabilities	13	528,924	540,336
Employee benefits	14	559,755	504,527
Total current liabilities		56,233,934	49,025,229
Non-current liabilities			
Right-of-use liabilities	13	-	528,924
Employee benefits	14	21,043	14,602
Total non-current liabilities		21,043	543,526
Total liabilities		65,254,977	49,568,755

Net assets		9	9
<hr/>			
Equity			
Issued capital	15	9	9
<hr/>			
Total equity		9	9
<hr/>			

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 2022

	SHARED CAPITAL \$	RETAINED EARNINGS	TOTAL \$
Balance as at 1 July 2020	9	-	9
Total comprehensive income for the year	-	-	-
Balance as at 1 July 2021	9	-	9
Total comprehensive income for the year	-	-	-
Balance as at 30 June 2022	9	-	9

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

STATEMENT OF CASH FLOW

For the financial year ended 30 June 2022

	NOTE	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers		53,324,940	46,130,001
Payments to suppliers and employees		(7,521,893)	(8,209,677)
Distributions to licensors		(36,569,149)	(40,209,985)
Interest paid		(23,305)	(38,897)
Net cash provided by/(used in) operating activities		9,210,593	(2,328,558)
Cash flows from investing activities			
interest recieved		125,189	193,066
Net (payments for)/reciepts from term deposits		(8,500,000)	2,200,000
Payments for plant and equipment		(218,482)	(207,851)
Net cash provided by/(used in) operating activities		(8,593,293)	2,185,215
Cash flows from financing activities			
Payment for the principle portion of lease liability		(540,336)	(506,796)
Net cash provided by/(used in) operating activities		(540,336)	(506,796)
Net increase/(decrease) in cash and cash equivalents		76,964	(650,139)
Cash and cash equivalents at the beginning of the financial year		802,699	1,452,838
Cash and cash equivalents at the end of the financial year	7	879,663	802,699

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

NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 30 June 2022

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 29th November 2022.

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').

This financial report is the first financial report of the company prepared in accordance with Australian Accounting Standards - Simplified Disclosures. The prior year financial report was prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements. The transition from the previous financial reporting framework to Australian Accounting Standards - Simplified Disclosures has not affected the company's reported financial position, financial performance and cash flows.

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 2022 the company has a net current asset deficiency of \$1,091,759 (2021: \$1,258,206). Included in the company's current liabilities are aggregate amounts representing the licence fees received in advance of \$353,332 (2021: \$251,313) and amounts payable to licensors of \$39,133,291 (2021: \$36,115,443). While the amount payable to the licensors will be settled in December 2022, 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 2022.

Consequently, the net current asset deficiency position at the 30 June 2022 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
- (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

	2022 \$	2021 \$
Revenue from contracts with customers		
Licence fees	47,062,369	42,872,868
Other Revenue		
Government subsidies - jobkeeper	-	605,150

Rent recieved	217, 138	196, 108
Sundry revenue	6, 702	2, 500
	<hr/>	<hr/>
	223, 840	803, 758
	<hr/>	<hr/>
Total Revenue	47, 286, 209	43, 676, 626

6. EXPENSES

Profit before income tax includes the following specific expenses:

	2022 \$	2021 \$
Superannuation expense - defined contribution plans	270, 277	259, 441
Provision for doubtful debts	-	(389, 969)
Interest & finance charges	23, 305	38, 897

7. CASH AND CASH EQUIVALENTS

	2022 \$	2021 \$
Cash at bank & on hand	879, 663	802, 699

8. TRADE AND OTHER RECEIVABLES

	2022 \$	2021 \$
Trade receivables	1, 044, 816	2, 539, 533
Allowance for expected credit loss	(87, 379)	(113, 399)
	<hr/>	<hr/>
	957, 437	2, 426, 134
Prepaid expenses	178, 823	139, 642
Other licence receivables	2, 056, 700	1, 867, 171
Other receivables	176, 751	138, 576
	<hr/>	<hr/>
	3, 369, 711	4, 571, 523

9. OTHER FINANCIAL ASSETS

	2022 \$	2021 \$
Financial assets at amortised cost		
Term deposits	50, 892, 801	42, 392, 801

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 2020	300,299	33,409	3,400,540	360,449	611,702	4,706,399
Additions	568	-	189,829	17,457	-	207,851
Disposals	-	-	(17,880)	-	-	(17,880)
Balance at 30 June 2021	300,867	33,409	3,572,486	377,906	61,702	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
Accumulated depreciation						
Balance at 1 July 2020	(263,444)	(31,182)	(2,474,395)	(332,610)	(611,702)	(3,713,333)
Depreciation expense	(15,932)	(2,227)	(335,243)	-	-	(382,170)
Disposals	-	-	6,556	-	-	6,556
Balance as at 30 June 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 at 30 June 2022	(279,376)	(33,409)	(3,138,335)	(368,638)	(611,702)	(4,447,467)
Net book value						
As at 30 June 2021	21,491	-	769,404	16,528	-	807,423
As at 30 June 2022	5,484	-	622,513	9,268	-	637,265

11. RIGHT-OF-USE ASSETS

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

	2022 \$	2021 \$
Buildings	2,031,867	2,031,867
Provision for depreciation	(1,566,321)	(1,037,549)
	<hr/>	<hr/>
	475,546	994,318
	<hr/>	<hr/>
Depreciation charged to profit & loss	518,772	518,774
	<hr/>	<hr/>

12. TRADE AND OTHER PAYABLES

	2022 \$	2021 \$
Trade and other payables	15,394,676	11,363,989
Goods and services tax payable	263,956	249,621
Licence fees received in advance	353,332	251,313
Amounts payable to licensors	39,133,291	36,115,443
	<hr/>	<hr/>
	55,145,255	47,980,366
	<hr/>	<hr/>

13. LEASE LIABILITIES

	2022 \$	2021 \$
Current	528,924	540,336
	<hr/>	<hr/>
Non-current	-	528,924
	<hr/>	<hr/>
<i>Future lease payments</i>	535,552	563,641
Within one year	-	535,552
One to five years		
	<hr/>	<hr/>
	535,522	1,099,193

14. EMPLOYEE BENEFITS

	2022 \$	2021 \$
Current		
Employee benefits	559,755	504,527
Non-current		
Employee benefits	21,043	14,602

15. ISSUED CAPITAL

	2022 \$	2021 \$
9 fully paid ordinary shares (2021 : 9)	9	9

	2022		2021	
	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 company has one lease over its office premises that is due to expire in May 2023.

	2022 \$	2021 \$
Short-term employee benefits	1,00,356	927,471
Post-employment benefits	100,036	88,110
	1,100,392	1,015,581

17. REMUNERATION OF AUDITORS

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

	2022 \$	2021 \$
Audit of the financial statements	41,000	41,000
Preparation of the tax return	5,100	5,000
	<hr/>	
	46,100	46,000

18. CAPITAL COMMITMENTS

The company has no capital commitments at reporting date (2021 : 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 \$217,138 (2021: \$196,108) 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 \$979,373 (2021: \$900,260) 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 (2021: \$Nil)

20. SUBSEQUENT EVENTS

No matter or circumstance has arisen since 30 June 2022 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.

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 - 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 2022 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, 1st November 2022

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 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 2022 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 2022, 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:

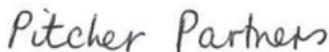
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a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

1 November 2022



Pitcher Partners
Sydney

PPCA PERFORMERS' TRUST FOUNDATION

For the financial year ended 30 June 2022

	2022 \$	2021 \$
Current Assets		
Cash and cash equivalents	46,785	76,856
Trade and other receivables	4	-
	<hr/>	
Total current assets	46,789	76,856
	<hr/>	
Total assets	46,789	76,856
	<hr/>	
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	22,862	49,337
	<hr/>	
Total current liabilities	26,462	52,937
	<hr/>	
Total liabilities	26,462	52,937
	<hr/>	
Net assets	20,327	23,919
	<hr/>	
Funds		
Funds retained in the trust	20,327	23,919
	<hr/>	
Total funds	20,327	23,919

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



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