PPL 90 YEARS

AGM 2024

MONDAY 17 JUNE 2024 3:00PM

2024 AGM
FULL DOCUMENT PACK

PPL 90 YEARS

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MONDAY 17 JUNE 2024 3:00PM

Agenda

Location: Hall One, Kings Place, 90 York Way, London, N1 9AG

Registration from: 2:00pm

AGM Starts: 3:00pm

1. Welcome

2. Address by John Smith OBE, PPL Chair

3. Company presentations
    - Chris Barton, Chief Financial Officer
    - Christine Geissmar, Chief Operating Officer
    - Kate Reilly, Chief Membership and People Officer

4. Address by Peter Leathem OBE, PPL Chief Executive Officer

5. Members' questions

6. Formal business - results of votes

7. Close of AGM

8. Panel - *Growth through collaboration - working with international partners to grow revenues and increase efficiencies*
   Chaired by Laurence Oxenbury, Director of International

9. Close of event - refreshments will be served

AGM 2024

MONDAY 17 JUNE 2024 3:00PM

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the **ANNUAL GENERAL MEETING** of **PHONOGRAPHIC PERFORMANCE LIMITED (the "Company")** will be held at 3:00 pm on Monday 17 June 2024 for the following purposes:

1. To elect Directors.

2. To authorise the Company to make payments to BPI, IFPI and other bodies for the purposes of anti-piracy and related activities, on the following basis:
   - such payments are to be agreed by the Directors;
   - this authority will expire at the close of the next AGM; and
   - this authority will cover payments made after the close of the next AGM, if the making of those payments is required under an agreement made before that date.

3. To authorise the Company to make payments to AIM/IMPALA, on the following basis:
   - such payments are to be agreed by the Directors;
   - this authority will expire at the close of the next AGM; and
   - this authority will cover payments made after the close of the next AGM, if the making of those payments is required under an agreement made before that date.

4. To authorise the Company to make payments to UK Music, on the following basis:
   - such payments are to be agreed by the Directors;
   - this authority will expire at the close of the next AGM; and
   - this authority will cover payments made after the close of the next AGM, if the making of those payments is required under an agreement made before that date.

5. To receive the Company's annual accounts for the financial year ended 31 December 2023 together with the strategic report, directors' report and auditors' report on those accounts.

6. To approve the Company's annual transparency report for the year ended 31 December 2023.

7. To re-appoint PricewaterhouseCoopers as auditors of the Company from the close of this meeting until the close of the next AGM at which the Company's accounts are laid, and to authorise the Directors to fix their remuneration. This re-appointment, and the appointment as PPL's auditors for the financial year ended 31 December 2023, to both be subject to a liability limitation agreement (LLA) being incorporated in such appointments, on the following basis:
   - PricewaterhouseCoopers' total liability (including interest) for all claims in respect of any negligence, default, breach of duty or breach of trust is limited to the greater of £5,000,000 (five million pounds) or five times the total fees payable to PricewaterhouseCoopers by the Company in respect of the audit and auditors' report; and
   - The LLA does not restrict or limit PricewaterhouseCoopers' liability in respect of (i) death or personal injury caused by their negligence; (ii) fraud or dishonesty; or (iii) any other liability which cannot be limited by law.

BY ORDER OF THE BOARD

C Waite

COMPANY SECRETARY

Registered Office: 1 Upper James Street, London W1F 9DE

Date of notice: 19 March 2024

Formal business - explanatory note

The Notice of AGM sets out the formal business being covered at this year's AGM, including various items on which PPL members are being asked to vote. This explanatory note provides a short summary of each item of formal business, for ease of reference.

- As required by PPL's Articles of Association, a number of current PPL directors are required to step down each year under a process known as "retirement by rotation". Notice item 1 proposes a resolution to elect directors to fill these vacancies. As part of the voting process, the list of election candidates will be provided. That list will consist of those PPL directors who are retiring by rotation and standing for re-election, together with any other election candidates who have validly been nominated in accordance with the rules and procedures set out in PPL's Articles of Association.

- As a matter of good corporate governance, formal resolutions are proposed each year to renew the PPL Board's authority to approve payments to be made to certain bodies for certain purposes. Notice item 2 deals with payments to the BPI, IFPI and other bodies for anti-piracy and related activities. Notice item 3 covers payments to IMPALA (the Independent Music Companies Association), including to AIM as IMPALA's UK member. Notice item 4 covers funding payments made by PPL to UK Music, the umbrella organisation (of which PPL is a member) representing the collective interests of the UK's commercial music industry.

- Notice item 5 deals with the presentation of PPL's accounts for the year ended 31 December 2023, together with the strategic report, directors' report and auditors' report on those accounts. These can all be found in the financial documents forming part of the PPL AGM document pack. A vote is not required on this item.

- Notice item 6 is a proposed resolution to approve PPL's Annual Transparency Report for the year ended 31 December 2023, in accordance with the UK regulations implementing the Collective Rights Management (CRM) Directive. Much of the information collated in the Annual Transparency Report is already published separately by PPL (including in PPL's financial statements) but it is a specific regulatory requirement to produce, approve and publish this report, which can be found in the PPL AGM document pack.

- Lastly, under Notice item 7, it is proposed to re-appoint PricewaterhouseCoopers as PPL's auditors. Appointment of PPL's auditors each year is an AGM requirement under the CRM Directive regulations. This year, the resolution includes approval of the principal terms of liability limitation agreements (LLAs) that PricewaterhouseCoopers now requires from all clients included as part of its standard appointment. PricewaterhouseCoopers has also recently requested a LLA to cover its previous appointment as PPL's auditors for the financial year ended 31 December 2023.

PPL 90 YEARS

AGM 2024

MONDAY 17 JUNE 2024 3:00PM

Nomination of candidate for election as director

Only complete this form if you wish to nominate a candidate.
Completed and signed forms should be sent to agm@ppluk.com.
The closing date for nominations is Friday 17 May 2024 at 3:00pm.

Member 1
I/we the undersigned PPL member nominate:

Name: ______________________

as a candidate for election as a director at the next PPL Annual General Meeting convened for Monday 17 June 2024.

Signature: ______________________

Member: ______________________

Name: ______________________

Tel: ______________________

PPL ID: ______________________

Below is a notice signed by my/our nominee of their willingness to be appointed together with evidence of their suitability for the office of director.

Member 2
I/we the undersigned PPL member nominate:

Name: ______________________

as a candidate for election as a director at the next PPL Annual General Meeting convened for Monday 17 June 2024.

Signature: ______________________

Member: ______________________

Name: ______________________

Tel: ______________________

PPL ID: ______________________

Below is a notice signed by my/our nominee of their willingness to be appointed together with evidence of their suitability for the office of director.

Consent to act as director

I, the undersigned, hereby confirm my willingness to be appointed as a director of PPL if elected at the next PPL Annual General Meeting convened for Monday 17 June 2024. I enclose evidence of my suitability for the office of director, which I confirm is true and correct. I confirm that I am 16 or over and not disqualified or otherwise prevented from acting as a director.

Name: ______________________

Company/
Organisation
(if applicable): ______________________

Date: ______________________

Signature: ______________________

Address: ______________________

____

____

____

Postcode: ______________________

Notes

1. Each PPL recording rightsholder member may propose more than one candidate – please use multiple copies of this form if you wish to do so.
2. Each nomination form must be completed by 2 or more PPL recording rightsholder members (again, please use multiple forms if more than 2 members are nominating the same candidate together). Please note that, for the nomination to be valid, the nominating members must between them have a PPL AGM voting share of 0.2% or more. Please contact PPL if you require further guidance on this. We cannot disclose information about other members' voting shares without their express written consent to do so.
3. The form must also be signed by the candidate, who must enclose evidence of suitability for office.

Company number 00288046

PHONOGRAPHIC PERFORMANCE LIMITED

(A company limited by guarantee)

STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their Strategic Report on Phonographic Performance Limited (PPL) for the year ended 31 December 2023.

PRINCIPAL ACTIVITIES

PPL's principal activity during the year was the collection and distribution of UK and international income for broadcasting and public performance of sound recordings on behalf of its members (comprising recording rightsholder members as well as the performers that PPL represents). The total amount available for distribution in the Statement of Comprehensive Income is distributed to the company's members, with the intention that there are no retained reserves at any particular Statement of Financial Position date.

BUSINESS REVIEW

During the year, PPL delivered income of £283.5m, which represented an increase of 4% compared to the prior year (2022: £272.6m). Net distributable revenue reached £247.2m (2022: £234.5m).

Financially, 2023 was a strong year for PPL, with growth in income across all areas of UK licensing activity. Of particular significance was the continued growth seen in public performance and dubbing income, where 2023 saw an annual increase of 11%, with income continuing to recover after being severely impacted during the COVID-19 pandemic in 2020 and 2021.

International income reached £75.4m, compared to £77.8m in 2022, with the small annual decline being driven by exceptional payments from certain territories, relating to multiple past periods, being received in 2022.

PPL continues to carefully manage its cost base, and the cost to income ratio in 2023 decreased to 13.0% from 13.3% in 2022.

PPL continued to make progress with efforts to become a more sustainable business over the course of 2023, and commissioned an independent assessment of the volume, range, and sources of its carbon emissions. This included utilities usage across its workforce, both in the office and from homeworking, as well as its third-party partners and suppliers. PPL is committed to integrating environmental best practice into its operations and concentrates on applying more green practices and procedures designed to address climate change and sustainability.

PPL continues to develop its People Strategy by making sure that it hires and develops a high-performing and diverse team to help deliver a quality service and maximum value to its members. PPL remains focused on recruiting people from a wide range of backgrounds, with diversity of talent, thought and experience, to help benefit the company, and to also serve its membership better.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

KEY PERFORMANCE INDICATORS

The key performance indicators (KPIs) used by PPL to measure annual performance are summarised below:

	2023	2022
Public performance and dubbing (inc. Narrowcasting)	£111.7m	£100.8m
Broadcasting and online	£96.4m	£94.0m
International	£75.4m	£77.8m
Total licence fee income	£283.5m	£272.6m
Net distributable revenue	£247.2m	£234.5m
Cost to income ratio	13.0%	13.3%

PPL considers its key performance indicators to be income growth, net distributable revenue growth and the cost to income ratio.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors and management of PPL are aware of their responsibility for managing risk and regularly evaluate the risks and uncertainties that could affect future performance.

A great deal of uncertainty remains in terms of assessing the impact of the cost-of-living crisis and this represents the highest economic risk to PPL's income in 2024. There is also a degree of risk through broader changes to conditions in the UK arising from Brexit as well as transactions with overseas territories. These risks are carefully monitored by PPL and a range of mitigations are in place to deal with situations as they arise.

Liquidity risk is mitigated by actively managing cash generation and funding requirements. Distribution payments to members are only made on licence fees collected. Price risk occurs where new licence arrangements are challenged. Legislative risk can occur where PPL is subject to any changes to copyright law. PPL is also exposed to foreign exchange risk in respect of the income collected from overseas Collective Management Organisations. Receipts in foreign currencies are translated into GBP using spot-rates and therefore exposure to foreign exchange risk is considered to be low.

PPL continues to improve its carbon and sustainability performance. We are making steps to enter a net-zero/carbon-neutrality framework and our ongoing emissions measurement will help to select the most suitable one. We will carry out another Scope 3 assessment of 2023 and endeavour to increase the auditing of our purchased goods and services with more direct measurements where possible. Additionally, we will aim to increase visibility of other Scope 3 hotspots.

PPL is not currently directly impacted by the effects of climate change, however we continue to review the implications of Task Force on Climate-Related Financial Disclosures (TCFD).

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

SECTION 172(1) STATEMENT

As required under the Companies (Miscellaneous Reporting) Regulations 2018, and in a manner intended to be consistent with the size and complexity of the company's business, the following part of the strategic report (i) describes below how, during the reporting year, the directors have had regard to the matters set out in section 172(1) of the Companies Act 2006 when performing their duties under that section; and (ii) summarises how the directors have had regard to the need to foster the company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the company during the financial year.

Relevant issues, factors and stakeholders

The company's key stakeholders are the recording rightsholders and performers whose rights it manages and represents, and in seeking to promote the success of the company (including over the long-term) the directors have particular regard to revenue growth and service improvements. In so doing it is therefore also important to consider the company's customers (i.e. its music licensees) and employees, and maintain a good business reputation. Whilst the company makes use of certain suppliers for e.g. technology and professional services to support its business, it does not operate a supply chain as such. Whilst the company also has appropriate regard to the community and environment, the nature of its business means that this is also not as directly relevant.

Methods of engagement and key examples from the reporting year

Engagement with key stakeholders is achieved through PPL's corporate governance framework and reporting to the board from PPL's executive management team.

Corporate Governance Framework

The very structure and scope of PPL's board and sub-committee framework enables engagement with a broad cross-section of members' interests. The PPL Board has representation from both major and independent record companies and both the featured and non-featured performer community, with all positions being subject to election by the wider membership at PPL's AGM and Annual Performer Meeting respectively. The PPL board is currently supported by the following sub-committees, which again include attendees from across the spectrum of the recording rightsholders and performers represented by the company:

- Finance & Audit Committee

- Distribution Committee

- Remuneration Committee

Executive Management Reporting

The PPL Board usually meets nine times throughout the year, with additional meetings of PPL's Performer Board, during which matters of strategic, operational and financial importance are discussed. Board meetings are supported by a robust level of executive management reporting, in the form both of written papers and presentations at each meeting. In addition, key updates and recommendations from sub-committees are also provided where appropriate.

SECTION 172(1) STATEMENT (continued)

This executive management reporting includes details of company engagement with other key stakeholders. For example, PPL engages with licensee (customer) interests through direct meetings with licensees, public consultations – such as when new or materially changed licensing schemes or tariffs are proposed – and through dealings with trade bodies representing classes of licensees; all of which is then covered in board reporting. Similarly, PPL engages with employees through the day-to-day work of its dedicated HR function and additional periodic measures such as employee surveys; again this is the subject of appropriate board reporting.

Examples

The PPL Board approved changes to certain public performance and dubbing tariffs as well as the renewal of numerous blanket licence agreements with broadcasters. In approving licensing deals or considering areas of potential licensing expansion or change, the directors particularly take into account the impact on both members and licensees. The focus is on setting fair and reasonable licensing terms which appropriately value members' rights. This was supported by management reporting on matters such as wider market analysis.

As at the end of 2023, there remains uncertainty in the geopolitical landscape that may bring tougher economic conditions for both PPL's licensees and members. Detailed and robust re-forecasting took place on a regular basis throughout the year, which enabled the PPL board to consider any impact on PPL's members and subsequently enabled decision-making in relation to cost control measures.

The budget for 2024 was approved by the PPL Board following a comprehensive review of the information and recommendations from the PPL Finance Committee. The directors ensured that the budget was aligned with the broader strategic goals of the company and also factored in key business risks and likely impact to stakeholders. A key consideration in setting the 2024 budget was the expected impact of price inflation on income and costs.

By order of the Board

Peter Leathem

P LEATHEM OBE
DIRECTOR
19 March 2024

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2023

The directors submit their Report of the Directors and the audited financial statements of PPL to the members for the year ended 31 December 2023.

FUTURE DEVELOPMENTS

The company's business activities and factors likely to affect its future performance are set out in the Strategic Report.

FINANCIAL RISK MANAGEMENT

The company's assessment of its exposure to elements of financial risk is set out in the Strategic Report.

GOING CONCERN

The Statement of Financial Position reflects a net liability of £3.8m (2022: £3.8m), which is largely due to timing differences in the payment of liabilities to the Company's' members. Despite this, management considers the going concern basis of accounting to be appropriate as the timing of liabilities to members is at the discretion of PPL, this allows for flexibility in managing cashflows. Cashflow is closely monitored by management and is seen a key operational task, allowing forecasting and assessment of the timing of liabilities to ensure that both short term and long-term obligations are met. In addition, the ability to generate cash through continuous licensing activity coupled with cash balances held through timing differences between collections and distributions to members, provides adequate resources to continue in operational existence.

EMPLOYMENT POLICY

The company's policy is to provide employees where possible with regular information on matters of concern to them, so that their views can be considered when decisions are taken which could affect them.

At PPL, we believe in fairness and in creating a work environment that respects all lived experiences. As a company, we are proud to represent musicians and performers from every section of society regardless of their background, age, or sexual orientation. And as a company, we are committed to cultivating a workplace where all of our employees, partners, and friends feel welcome and happy in a safe and trusted space.

We aim to ensure that employees are selected, trained, compensated, promoted or transferred solely on the strength of their ability, skills, qualification and merit. This can only be achieved with the support of all employees, and it is our responsibility to ensure that our equal opportunities policies are observed and to understand clearly that there is a moral and legal duty not to discriminate against individuals on any of the grounds. Any matters of concern can be discussed on a confidential basis with a member of the Management Team or HR Team.

INDEMNITY PROVISION FOR DIRECTORS

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the companies Act 2006 S234. Such qualifying third-party indemnity provision was in force during the financial year and at the date of approving the Directors' report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Phonographic Performance Limited and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law, directors must

STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)

not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' CONFIRMATIONS

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

CHARITABLE DONATIONS

The following charitable donations were provided during the year ended 31 December 2023:

	2023	2022
PRS Foundation	£600,000	£600,000
Music Minds Matter	£100,000	£100,000
British Association for Performing Arts Medicine	£75,000	£42,369
The BRIT School	£40,000	-
Curve Theatre	£30,000	-
Music for Youth	-	£10,000
ELAM (East London Arts & Music)	£25,000	-
World Heart Beat Music Academy Limited	-	£10,000
Jazz re:freshed	£10,000	£10,000
Tomorrow's Warriors	£10,000	-
Music Venues Trust	£10,000	-
Lady of the House	£10,000	-
LPMAM (London Performing Academy of Music)	£9,000	-
The Young Musicians Symphony Orchestra	£5,000	£5,000
Benedetti Foundation	-	£5,000
Hospital Broadcasting Association	-	£32,500
Ivors Academy Trust	-	£32,200
SCAPR	-	£10,000
Ukraine Relief Support Fund	-	£10,000
The Blues Project	-	£6,000
Midland Youth Jazz Orchestra Association Ltd	-	£5,000

STREAMLINED ENERGY AND CARBON REPORT (SECR)

PPL recognises that our global operations have an environmental impact and we are committed to monitoring and reducing our emissions year-on-year. We are also aware of our reporting obligations under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. This report includes reporting on GHG emissions from fuel combustion, purchased energy and transport vehicles and uses an intensity ratio and an outline of implemented efficiency measures.

2023 Performance

In 2022, PPL saw an 8% reduction in its direct Scope 1 and 2 emissions, with a move towards decarbonising the operation through the transition from gas to electricity for comfort heating. Following this, in 2023 PPL successfully reduced their Scope 1 gas usage emissions by 67% and their Scope 2 electricity emissions by 5%. The continual downward trend of these emissions highlights PPL's progress towards their Net Zero goals.

STREAMLINED ENERGY AND CARBON REPORT (SECR) (continued)

Although calculations of 2023's Scope 3 emissions are still underway, we expect the increases in these emissions categories to somewhat stabilise. Throughout the year, ongoing discussions on sustainability, including at Executive level, have taken place. PPL is continuously working to improve the environmental effects of not just the office, but our wider supply chain. Positive change has been made through several energy reduction measures at site as well as developing other policies to challenge and reduce our corporate carbon footprint. Our methods of measurement are also undergoing continuous improvement.

Following completion of PPL's 2023 full Scope 1 to 3 carbon footprint assessment, we are planning to undertake our Science Based Targets (SBTi) submissions, for both Near-term and Net Zero reductions. Committing to carbon emissions reductions in-line with climate science showcases our dedication to sustainability.

To ensure a high level of transparency is achieved, robust and recognised reporting methods are implemented. The reporting methodology involves usage of the 2023 DEFRA (Department for Environment, Food and Rural Affairs) emissions factors to calculate and assess our UK operational emissions.

The SECR reporting period covers PPL's operations from the 1st January 2023 to the 31st December 2023 and our calculations cover the following:

- ***Building-related energy*** – *Gas consumption (Scope 1) and purchased electricity consumption (Scope 2) location-based.*
- ***Transportation*** *–Expensed business travel in employee and hire vehicles (Scope 3).*
- ***Voluntary reporting*** – *Purchased electricity consumption (Scope 2) market-based.*

Calculation Methodology

PPL's emissions have been assessed in accordance with the 'GHG Protocol Corporate Accounting and Reporting Standard' and in line with DEFRA's 'Environmental reporting guidelines: including Streamlined Energy and Carbon Reporting Requirements'. The DEFRA 2023 emission conversion factors were used to quantify the emissions associated with Phonographic Performance Limited's UK operations for the specified reporting period. Where first hand energy consumption data was unavailable, pro-rata extrapolation was applied. We have used the operational control approach.

Intensity Metrics

The chosen intensity ratios, continued from previous reporting periods, are tCO_2e per ft^2 and tCO_2e per FTE Employee. From 2023, we also will report on a third intensity metric, tCO_2e per £million turnover. These have been chosen as appropriate activity metrics considering the nature of our operations.

Energy Efficiency Measures

Within the reporting period PPL has implemented the following actions to reduce our energy consumption: Double glazing completion, Conversion of gas heating system to electric heat pump system, Gradual migration of on-site servers to the cloud, Complete conversion of lighting system to LED.

STREAMLINED ENERGY AND CARBON REPORT (SECR) (continued)

Results

Reporting Period		1st January 2022 - 31st December 2022	1st January 2023 - 31st December 2023
Area	**Metric**	**UK & Offshore**	**UK & Offshore**
Emissions from combustion of natural gas at site (Scope 1)	Energy (kWh)	27,391.26	8,971.17
	Emissions (tCO2e)	5.00	1.64
Emissions from purchased electricity (Scope 2) location-based	Energy (kWh)	403,350.92	359,485.35
	Emissions (tCO2e)	78.00	74.44
Emissions from expensed business travel in employee and hire vehicles (Scope 3)	Energy (kWh)	3,834.83	10,685.84
	Emissions (tCO2e)	1.00	2.59
Intensity Ratio	(tCO2e / £m Turnover)	-	**0.28**
Intensity Ratio	(tCO2e / ft²)	**0.006**	**0.004**
Intensity Ratio	(tCO2e / FTE Employee)	**0.54**	**0.37**
Total Energy Consumption	(kWh)	**434,577.00**	**379,142.36**
Total Emissions	(tCO2e)	**84.00**	**78.67**

Emissions from purchased electricity (Scope 2) market-based	Energy (kWh)	403,350.92	359,485.35
	Emissions (tCO2e)	0.00	0.00
Net Emissions	(tCO2e)	**6.00**	**4.23**

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2023

DIRECTORS

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

R de Bastion
S Clayton
J Davidson
J Ellington
J French
R Gruschke
N Hartley
H Joseph
D Lee
P Lale (appointed 16 November 2023)
P Leathem OBE
S Mitchell
C Saxe
C Smith
J Smith
M Smith
P Thoms (resigned 16 November 2023)
H Trubridge

By order of the Board

Peter Leathem

P LEATHEM OBE
DIRECTOR
19 March 2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PHONOGRAPHIC PERFORMANCE LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, Phonographic Performance Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its result and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Strategic Report, Report of the Directors and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2023; the Statement of Comprehensive Income, the Statement of Changes in Equity and the Cashflow Statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PHONOGRAPHIC PERFORMANCE LIMITED

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic Report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and the Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Directors for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 ISAs (UK) 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 these financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PHONOGRAPHIC PERFORMANCE LIMITED

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to data protection regulations, the Collective Management of Copyright (EU Directive) Regulations 2016 and employment regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as UK tax legislation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent financial reporting, specifically the posting of inappropriate journal entries to manipulate financial results and potential management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussion with management and internal legal counsel, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;

- Addressing the risk of management override of internal controls, including testing of journal entries (in particular, journal entries posted with an unusual account combination, unusual description and entries posted by senior management); and

- Evaluating and, where appropriate, challenging assumptions and judgments made by management in determining significant accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PHONOGRAPHIC PERFORMANCE LIMITED

OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Parash Swaminathan

Parash Swaminathan (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
19 March 2024

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £000	2022 £000
LICENCE FEE INCOME	2	283,546	272,644
Cost of collection and distribution		(36,745)	(36,175)
NET INCOME BEFORE INTEREST AND TAXATION	3	246,801	236,469
Interest receivable and similar income	5	4,503	1,566
Interest payable and similar expense	6	(493)	-
NET INCOME BEFORE TAXATION		250,811	238,035
Tax on profit	8	-	-
AMOUNT AVAILABLE FOR DISTRIBUTION		250,811	238,035
Anti-piracy protection and industry contributions	4	(3,622)	(3,500)
Amount to be distributed		(247,189)	(234,535)
RETAINED RESERVES		-	-
TOTAL COMPREHENSIVE RESULT FOR THE YEAR		-	-
Cost to income ratio		13.0%	13.3%

The results above for the current and prior year refer entirely to continuing operations.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	2023 £000	2022 £000
FIXED ASSETS			
Intangible assets	9	4,031	4,352
Tangible assets	10	1,735	886
Investments	11	50	50
		5,816	5,288
CURRENT ASSETS			
Licence fees receivable	12	19,375	9,212
Other debtors	13	6,093	6,666
Prepayments and accrued income		17,275	17,140
Short term fixed deposits (Greater than 3 months)		75,000	80,000
Cash at bank and in hand		30,290	38,102
		148,033	151,120
CREDITORS: amounts falling due within one year	14	(156,770)	(159,251)
NET CURRENT (LIABILITIES)		(8,737)	(8,131)
TOTAL ASSETS LESS CURRENT LIABILITIES		(2,921)	(2,843)
PROVISIONS FOR LIABILITIES	15	(887)	(965)
NET LIABILITIES BEFORE PENSION LIABILITIES		(3,808)	(3,808)
NET LIABILITIES		(3,808)	(3,808)
RESERVES			
Accumulated losses		(3,808)	(3,808)

The financial statements on pages 14 to 38, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Cashflow Statement, and the related notes were approved by the Board of directors on 19 March 2024 and are signed on its behalf by:

Peter Leathem

P Leathem OBE
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Accumulated losses £000
Balance as at 1 January 2022	(3,808)
Result for the financial year	-
Other comprehensive result for the year	-
Total comprehensive result for the year	-
Balance as at 31 December 2022	(3,808)
Result for the financial year	-
Other comprehensive result for the year	-
Total comprehensive result for the year	-
Balance as at 31 December 2023	(3,808)

CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £000	2022 £000
CASHFLOWS FROM OPERATING ACTIVITIES			
Net cash from operating activities	18	242,323	240,765
Anti-piracy protection and industry contributions paid		(3,622)	(3,484)
Amounts distributed		(252,697)	(219,964)
Interest paid		(493)	-
Net cash (used in) / generated from operating activities		(14,489)	17,317
CASHFLOWS FROM INVESTING ACTIVITIES			
Purchase of intangible fixed assets		(1,348)	(1,656)
Purchase of tangible fixed assets		(1,322)	(709)
Interest received		3,040	922
Repayments from joint venture loan facility		1,307	4,910
Proceeds from short term fixed deposits		60,000	80,000
Purchases of short term fixed deposits		(55,000)	(110,000)
Net cash generated from / (used in) investing activities		6,677	(26,533)
NET (DECREASE) IN CASH AND CASH EQUIVALENTS		(7,812)	(9,216)
Cash and cash equivalents at the beginning of the year		38,102	47,318
Cash and cash equivalents at the end of the year		30,290	38,102
Cash and cash equivalents comprises:			
Cash at bank and in hand		30,290	38,102
Total cash and cash equivalents		30,290	38,102

1. ACCOUNTING POLICIES

General information

Phonographic Performance Limited (PPL) is a private company limited by guarantee and incorporated in the United Kingdom. The address of its registered office is 1 Upper James Street, London, W1F 9DE, United Kingdom.

The principal activity of the company is the collection and distribution of UK and international income for broadcasting and public performance of sound recordings on behalf of its members.

Statement of compliance

The financial statements of PPL have been prepared in compliance with the United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

FY22 restatement

Following a comprehensive review of the Cashflow Statement, the company has reclassified the 'Amounts distributed' and 'Anti-piracy protection and industry contributions paid' which were initially categorised under financing activities. As a result, the amounts of £220.0m and £3.5m, respectively, have been appropriately reclassified from financing activities to operating activities. In addition, the company have amended the presentation of cash flows arising from short term fixed deposits. These were previously presented on a net basis and have been restated to present the gross inflows and outflows related to the investments. Thus, the amount of £30.0m in line 'Cash inflow / (outflow) from investment' is now presented in two lines as 'Proceeds from short term fixed deposits' and 'Purchases of short-term fixed deposits' amounting to £80.0m and £110.0m respectively.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of accounting

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and Applicable Accounting Standards in the United Kingdom.

b) Going concern

The financial statements have been prepared on a going concern basis which forecasts that the Company will have sufficient liquidity to meet its financial obligations for a period of at least 12 months from the date of these financial statements.

A liquidity forecast has been prepared for a period of at least 12 months from the date of approval of these financial statements. As part of their review, the directors have considered the implications of the current economic conditions on the going concern assumption as well its ability to decide the amount and timing of distribution to members. This has also included sensitivity analysis which takes into account severe but plausible downsides.

1. ACCOUNTING POLICIES (continued)

b) Going concern (continued)

Management considers the going concern basis to be appropriate despite the net liability and net current liability position, as the timing of current liabilities payable to members is at the discretion of the Company. The conclusion is that sufficient funds are expected to be generated within the Company so as to meet the liabilities of the Company as they fall due. Thus, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

c) Format of the Statement of Comprehensive Income and the Statement of Financial Position

The formats of the Statement of Comprehensive Income and the Statement of Financial Position have been adapted from that prescribed by the Companies Act 2006 in order to better reflect the nature of the business.

d) Foreign currencies

i) Functional and presentation currency

The company's functional and presentation currency is the pound sterling.

ii) Transactions and balances

Monetary assets and liabilities are translated into sterling at the rates of exchange ruling at the reporting date. Foreign currency transactions during the year are translated into sterling at the rate ruling on the date of the transaction. All foreign exchange differences are taken to the Statement of Comprehensive Income in the year in which they arise.

e) Licence fee income/receivable

The company recognises revenue when the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the company.

In the event of over-payments, licence fee income is recognised if the payments could not be refunded, despite efforts to contact the relevant party over a reasonable period of time.

a) Public Performance & Dubbing

Public Performance income is accounted for on an accruals basis so that income is recognised in the period to which it relates. Dubbing income is recognised upon receipt of utilisation information from customers.

b) Broadcasting income is recognised over the period of the contract, and income is accounted for in the period to which it relates. In the absence of an invoice, broadcasting and online income is accrued based upon on management estimates of licence fees in respect of any contracts that are under negotiation.

c) International income is recognised at the earliest of either the cash receipt from collective management organisations or the provision of information on the cash to be remitted by these counterparties.

Licence fees receivable in relation to public performance revenues as at 31 December 2023 represent amounts due from the PPL PRS Limited joint venture.

f) Employee benefits

The company provides a range of benefits to employees, including paid holiday arrangements and defined benefit and defined contribution pension plans.

1. ACCOUNTING POLICIES (continued)

f) Employee benefits (continued)

i) Short term benefits

Short term benefits including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

ii) Defined benefit pension plan

During the year the company operated a contributory defined benefit pension scheme covering its permanent employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The defined benefit obligation is calculated using the projected unit credit method. Annually PPL engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with PPL's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined liability'.

The cost of the defined benefit plan, recognised in the Statement of Comprehensive Income as employee costs, except where included in the cost of an asset, comprises:

- the increase in pension benefit liability arising from employee service during the period; and
- the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the Statement of Comprehensive Income as 'other finance expense'.

The last full actuarial valuation was undertaken on the position as at 30 June 2021.

iii) Defined contribution pension plan

The company also operates a defined contribution scheme. A defined contribution plan is a pension plan under which the company pays fixed contributions into separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

g) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

1. ACCOUNTING POLICIES (continued)

g) Taxation (continued)

Current or deferred taxation assets and liabilities are not discounted.

i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

ii) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date. A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax is measured on a non-discounted basis.

h) Intangible assets

Computer software and systems development is stated at cost less accumulated amortisation and accumulated impairment losses. Computer software and system development is amortised over its estimated useful life, on a straight-line basis, as follows:

Computer systems development	5 years
Computer software	3 years

Costs associated with maintaining computer software are recognised as an expense as incurred.
Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by PPL are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

i) Tangible fixed assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

1. ACCOUNTING POLICIES (continued)

i) Tangible fixed assets (continued)

Depreciation is provided at rates calculated to write off the cost of each asset over the expected useful life or predetermined replacement date:

Fixtures, fittings and office equipment	3 years on a straight-line basis
Fixtures and fittings (refurbishment)	5 years on a straight-line basis
Computer hardware	3 years on a straight-line basis

j) Investment in joint venture

Investment in the joint venture is held at cost less accumulated impairment losses.

k) Leased assets

At inception, the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

i) Operating leases

Costs in respect of operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

ii) Lease incentives

Incentives received to enter into an operating lease are credited to the Statement of Comprehensive Income, to reduce the lease expense, on a straight-line basis over the period of the lease.

l) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

m) Provisions for liabilities

i) Dilapidations

Provision is made for dilapidations where the lease requires the reinstatement of the premises to its original state. The level of provision is based upon a damages report and is reviewed annually.

ii) Legal costs

Provision is made for the estimated legal costs where litigation is pending and an obligating event has occurred prior to the reporting date.

iii) Refunds

Provision is made for all significant refunds made in the post reporting period which relate to licence fees invoiced or received in the year.

n) Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

1. ACCOUNTING POLICIES (continued)

n) Financial instruments (continued)

i) Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Comprehensive Income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Comprehensive Income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii) Financial liabilities

Basic financial liabilities, including trade creditors and short-term loans, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

ii) Financial liabilities

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The company does not hold or issue derivative financial instruments.

iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1. ACCOUNTING POLICIES (continued)

o) Distributions

Amounts to be distributed to members, collective management organisations and other beneficiaries, represent the amount available for distribution in the Statement of Comprehensive Income.

Allocations to members remaining unclaimed for more than six years are reallocated and redistributed in accordance with the distribution policy.

p) Interest payable

Interest is accrued on balances payable at a rate based on the average deposit rate earned by the company for the relevant periods.

q) Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The following are the critical judgements in the preparation of the financial statements.

i) Broadcasting Revenue

Broadcasting revenue is accounted for over the period of the contract, so that income is recognised in the period to which it relates. Accrued income is based on management estimates of licence fees in respect of any contracts that are under negotiation and any estimates are typically informed by 'agreements in principle'.

ii) Public Performance Revenue

The collection of public performance revenue is managed by PPL PRS Limited, a joint venture between PPL and PRS for Music Limited. When assessing the probability of collection, management considers factors including the credit risk profile of the licensee, historical experience and any other evidence or knowledge of current issues that PPL PRS Ltd is experiencing.

iii) Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net surplus, restricted to nil in the Statement of Financial Position. The assumptions reflect historical experience and current trends. See note 15 for the disclosures relating to the defined benefit pension scheme.

iv) Provision for doubtful debts

The company uses all available evidence to determine the appropriate level of provision for impairment of licence fee receivables, including known disputes, historical trends in write-offs, collections post year end and the ageing of the receivables.

2. LICENCE FEE INCOME

	2023 £000	2022 £000
Analysis of turnover by licence type:		
Public performance and dubbing income	111,719	100,830
Broadcasting and online income	96,428	93,969
International income	75,399	77,845
	283,546	272,644
Analysis of turnover by territory of origin:		
United Kingdom	206,739	194,279
Rest of Europe	55,780	56,870
Rest of World	21,027	21,495
	283,546	272,644

3. NET INCOME BEFORE INTEREST AND TAXATION

	2023 £000	2022 £000
Net income before interest and taxation is stated after charging:		
Services provided by the company's auditors:		
Fees payable for the audit	101	88
Fees payable for other services:		
Audit-related services	15	15
Depreciation of tangible fixed assets	473	187
Amortisation of intangible assets	1,669	1,934
Operating lease rentals	948	943
Foreign exchange gain/(loss)	38	(33)

Net income includes a recharge of £683,517 (2022: £606,028) of operating expenses to Video Performance Limited (VPL).

The directors have agreed with the company's auditors that the auditors' liability to damages for breach of duty in relation to the audit of the company's financial statements for the year to 31 December 2023 will be limited to the greater of £5m or 5 times the auditors' fees for the statutory audit, and that in any event the auditors' liability for damages will be limited to that part of any loss suffered by the company as is just and equitable having regard to the extent to which the auditors, the company and any third parties are responsible for the loss in question. A resolution for the members to approve this liability limitation agreement, as required by the Companies Act 2006 will be proposed by the directors at the next AGM.

4. ANTI-PIRACY PROTECTION AND INDUSTRY CONTRIBUTIONS

Amounts contributed to:

	2023 £000	2022 £000
BPI (British Recorded Music Industry) Limited	1,881	1,872
The International Federation of the Phonographic Industry	920	873
Impala	77	69
Association of Independent Music Limited	56	62
UK Music	688	624
	3,622	3,500

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2023 £000	2022 £000
Interest receivable on cash at bank and short-term deposits	4,503	1,566

6. INTEREST PAYABLE AND SIMILAR COSTS

	2023 £000	2022 £000
Interest payable on member balances	493	-

7. STAFF COSTS

Gross staff costs:	2023 £000	2022 £000
Wages and salaries	15,864	13,733
Social security costs	1,540	1,405
Other pension costs	1,144	1,001
	18,548	16,139

Other pension costs represents contributions payable and other associated costs in respect of the defined contribution scheme.

7. STAFF COSTS (continued)

Monthly average number of employees:

	2023 Number	2022 Number
Office and management	222	204

Directors' emoluments:

	2023 £000	2022 £000
Aggregate emoluments	1,078	1,044

Post-employment benefits are accruing for one director (2022: one) under a defined benefit scheme. One director (2022: one) is currently a member of the defined contribution scheme.

Emoluments in respect of the highest paid director

	2023 £000	2022 £000
Aggregate emoluments	892	868
Defined benefit pension scheme - accrued pension at end of	35	34

During the year the company had two executive directors who were employed and paid by PPL (2022: two). Of those two executive directors, remuneration paid to the Chief Executive Officer amounted to £891,775 (2022: £868,267) and remuneration paid to the Chairman amounted to £82,774 (2022: £80,363). The remuneration of non-executive directors (by way of meeting attendance fees) is included in the aggregate directors' emoluments figure and amounted to £103,737 for the year (2022: £95,486).

8. TAX ON PROFIT

The charge for taxation for the year is calculated on disallowable items after the deduction of capital allowances.

	2023 £000	2022 £000
Current tax:		
UK corporation tax	-	-
Total tax	-	-

The tax assessed for the year is lower (2022: lower) to the standard rate of corporation tax in the UK of 25% (since April 2023) (2022: 19%).

	2023 £000	2022 £000
Factors affecting tax charge for the year		
Net income before taxation	250,811	238,035
Net income before taxation at the UK tax rate 24% (2022: 19%)	58,790	45,227
Effects of:		
Permanent difference	(58,975)	(45,370)
Accelerated capital allowances and other timing differences	185	144
Total tax charge	-	-

The company has an unrecognised deferred tax liability as follows:

	2023 £000	2022 £000
Capital allowances less than depreciation	429	290
Other timing differences	26	12
Deferred tax on pension scheme	(616)	(348)
Net deferred tax (liability) – unrecognised	(161)	(46)

No provision has been made for deferred tax liability on the basis that the majority of the company's net income is not taxable and therefore the availability of suitable future taxable profits against which it can be realised is not certain.

9. INTANGIBLE ASSETS

	Computer software and systems development
	£000
Cost	
At 1 January 2023	31,949
Additions	1,348
Disposals	(4,356)
At 31 December 2023	28,941
Accumulated amortisation	
At 1 January 2023	27,597
Charge for the year	1,669
Disposals	(4,356)
At 31 December 2023	24,910
Net book amount	
At 31 December 2023	4,031
At 31 December 2022	4,352

10. TANGIBLE ASSETS

	Fixtures, fittings, office equipment	Computer hardware	Total
	£000	**£000**	**£000**
Cost			
At 1 January 2023	2,115	937	3,052
Additions	1,097	225	1,322
Disposals	(1,295)	(590)	(1,885)
At 31 December 2023	1,917	572	2,489
Accumulated depreciation			
At 1 January 2023	1,460	706	2,166
Charge for the year	334	139	473
Disposals	(1,295)	(590)	(1,885)
At 31 December 2023	499	255	754
Net book amount			
At 31 December 2023	1,418	317	1,735
At 31 December 2022	655	231	886

11. INVESTMENTS

The carrying value of PPL's investment in a joint venture was as follows:

	2023	2022
	£000	**£000**
Joint venture	50	50
	50	50

PPL holds a 50% equity investment in PPL PRS Limited (an unlisted entity), registered at Mercury Place, St. George Street, Leicester LE1 1QG. This consists of 50,000 ordinary shares at £1 each. The other 50% is held by PRS for Music Limited. Under Article 14.2 of the PPL PRS Limited Articles of Association, the company is not permitted to allot any securities without the written consent of both PPL and PRS for Music Limited.

12. LICENCE FEES RECEIVABLES

	2023 £000	2022 £000
Trade receivables	11,411	4,195
Amounts owed by joint venture	7,661	4,414
Other receivables	303	603
	19,375	9,212

Trade receivables are stated after provisions for doubtful debts of £359,000 (2022: £593,000)

13. OTHER DEBTORS

	2023 £000	2022 £000
Loan receivable from joint venture	3,522	4,829
Other debtors	2,571	1,837
	6,093	6,666

At the end of 2023, a balance of £3,522,083 (2022: £4,828,850) is due from PPL PRS Limited, of which £2,817,666 is due more than one year. Repayments are in instalments until Dec 2028. This is in relation to a loan facility. The interest rate for this loan is set at the Bank of England base rate +2%.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £000	2022 £000
Trade creditors	480	2,060
Amounts owed to members	105,393	110,899
Taxation and other social security	7,384	5,406
Other creditors	1,531	2,360
Accruals and deferred income	41,982	38,526
	156,770	159,251

The distributions to members cannot be separately identified until the usage returns in respect of that year have been received and matched against the repertoire database, which is in accordance with PPL's distribution rules.

15. PROVISIONS FOR LIABILITIES

	2023 £000	2022 £000
Provision for dilapidations		
At beginning of the year	719	719
Charge for the year	18	-
At the end of the year	737	719
Provision for legal costs		
At beginning of the year	246	286
Released in the year	(246)	(120)
Charge for the year	150	80
At the end of the year	150	246
Provision for refunds		
At beginning of the year	-	2,853
Charge for the year	-	-
Utilised in the year	-	(2,853)
At the end of the year	-	-
Total provision	887	965

Dilapidations

The dilapidations provision represents the amount required to reinstate the premises to a state as required under the lease, which expires in 2030. The provision is expected to be fully utilised in 2030.

Legal costs

Provisions made for the cost to PPL of any ongoing litigation.

16. OPERATING LEASE COMMITMENTS

The company had the following future minimum lease payments under non-cancellable operating leases for each of the following years:

	2023 £000	2022 £000
Other:		
Not later than one year	1,225	1,218
Later than one year and not later than five years	4,606	4,515
Later than five years	2,277	3,578
	8,108	9,311

17. PENSION COSTS

a. Defined benefit scheme

The company operates a defined benefit scheme in the UK with assets held in a separately administered fund. The basis on which the net pension surplus is recognised in the financial statements is set out in note 1. The scheme was closed to new entrants from 1 July 2003.

A full actuarial valuation using the projected unit method was carried out at 30 June 2021 and updated to 31 December 2023 by a qualified independent actuary.

The company closed the scheme to the future accrual of benefits in June 2014.

	2023	2022
Rate of increase in salaries	2.00%	2.10%
Rate of increase of pensions in payment	2.40%	2.50%
Rate of increase of pensions in deferment:		
Pre 2009	2.70%	2.70%
Post 2009	2.50%	2.50%
Discount rate	4.50%	4.70%
Inflation assumption (RPI)	3.00%	3.10%
Inflation assumption (CPI)	2.70%	2.70%

17. PENSION COSTS (Continued)

The mortality assumptions used for the 31 December 2023 actuarial valuation were as follows:

Pre-retirement mortality (non-pensioners):	100% S3PMA_ALL [1.25%] (yob) 100% S3PFA_ALL [1.25%] (yob) CMI_2022_M/F [1.25%] (yob)
Post-retirement mortality (pensioners):	100% S3PMA_ALL [1.25%] (yob) 100% S3PFA_ALL [1.25%] (yob) CMI_2022_M/F [1.25%] (yob)

The life expectancy assumption used for the 31 December 2023 actuarial valuations were as follows:

	Males	Females
For an individual aged 65 in 2023	21.5	23.9
At age 65 for an individual aged 45 in 2023	22.7	25.3

The assets in the scheme and the amounts recognised in the Statement of Financial Position are as follows:

	2023		2022	
	£000	(%)	£000	(%)
Equities	-	0%	5,336	23%
Diversified growth assets	4,724	19%	5,771	25%
Corporate bonds	4,491	18%	4,162	18%
DCFs	7,017	29%	2,534	11%
LDI	8,141	33%	5,336	23%
Other	115	0%	91	0%
Total market value of assets	24,488		23,230	
Actuarial value of liability	(22,301)		(21,398)	
Surplus in the scheme	2,187		1,832	
Restriction on surplus	(2,187)		(1,832)	
Net pension asset / (liability)	-		-	

The surplus in the scheme is not fully recoverable by the company and therefore the surplus reflected in the Statement of Financial Position is restricted to nil.

None of the fair value of plan assets shown above include any direct investments in the company's own financial instruments nor is any property occupied by, or other assets used by the company.

17. PENSION COSTS (Continued)

The amount recognised in the Statement of Comprehensive Income was £nil (2022: £nil)

The return on the assets was:

	2023 £000	2022 £000
Interest income	1,083	623
Return on assets less interest income	724	(14,089)
Total return on assets	1,807	(13,466)

Reconciliation of scheme assets and liabilities:

	Assets £000	Liabilities £000	Total £000
At 1 January 2023	23,230	(21,398)	1,832
Benefits paid	(549)	549	-
Interest income /(expense)	1,083	(997)	86
Actuarial losses	-	(455)	(455)
Return on assets excluding interest income	724	-	724
Restriction on Surplus	(2,187)	-	(2,187)
At 31 December 2023	**22,301**	**(22,301)**	**-**

b. Defined Contribution Scheme

The company also operates a defined contribution scheme.

	2023 £000	2022 £000
Amounts outstanding at year end	124	100

18. NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £000	2022 £000
Net income before taxation	250,811	238,035
Net interest receivable	(4,009)	(1,566)
Amortisation of intangible assets	1,669	1,934
Depreciation of tangible fixed assets	473	186
(Increase) / Decrease in debtors	(9,568)	5,876
Increase / (Decrease) in creditors	3,025	(806)
(Decrease) in provisions	(78)	(2,893)
Cashflows generated from operations	242,323	240,765

19. TRANSACTIONS WITH DIRECTORS

There were no other transactions with directors during the year (2022: £nil).

20. RELATED PARTY TRANSACTIONS

Income collected by PPL is distributed to its members and allocations remaining unclaimed for more than six years are reallocated and redistributed in accordance with PPL's distribution rules.

Video Performance Limited (VPL) is deemed to be a related party as VPL is operated from PPL offices and by PPL staff members, therefore operating expenses incurred in relation to VPL are recharged during the year. 2023 resulted in a total £683,517 (2022: £606,028) of operating expenses in relation to VPL.

PPL PRS Limited is a joint venture between PPL and PRS for Music Limited which was launched in February 2018. PPL PRS Limited are responsible for the collection of public performance income. Operating costs incurred by PPL PRS Limited are recharged back to both parent companies.

Transactions with the joint venture are summarised below:

Amounts recognised in the Statement of Comprehensive Income:	**2023 £000**	**2022 £000**
Costs recharged from the joint venture	(8,987)	(10,853)
Amounts owed / (due) in relation to the joint venture:		
Amounts owed by the joint venture	15,583	12,913
Amounts due to the joint venture	(104)	(306)

Amounts owed by the joint venture above represent amounts billed from the joint venture on behalf of PPL. The debtors and revenue related to public performance have been adjusted to take into account probability of collection as disclosed in note 12.

21. RELATED PARTY TRANSACTIONS (continued)

Loan receivable from joint venture:

	2023 £000	2022 £000
Loan due from joint venture	3,522	4,829

Full details on loans made to PPL PRS Limited can be found in note 13.

22. RETAINED RESERVES - INCOME, EXPENDITURE AND DISTRIBUTION ACCOUNT

	2023 £000	2022 £000
At start of the year	(3,808)	(3,808)
Actuarial gain / (loss) on the pension scheme	-	-
At end of the year	(3,808)	(3,808)

Phonographic Performance Limited (PPL)

2023 Transparency Report

This transparency report relates to PPL's financial year ended 31 December 2023 and has been published in accordance with Regulation 21 of the Collective Management of Copyright (EU Directive) Regulations 2016 (the "Regulations").

PricewaterhouseCoopers LLP have performed work in accordance with the International Standard on Related Services '(ISRS) 4400 (Revised), Agreed-Upon Procedures Engagements' and 'The Agreed Upon Procedures for the Audit of an Annual Transparency Report' as published by the Intellectual Property Office. Those procedures assist the directors of PPL (the "company") in fulfilling the obligation to report under section 21(2)(b) of the Regulations. PricewaterhouseCoopers LLP's private factual findings report is included as an appendix to this report.

This transparency report also includes certain financial information which is contained in PPL's separately published financial statements for the year ended 31 December 2023 and such information has therefore been subject to audit by PricewaterhouseCoopers LLP, and their audit report is included with PPL's 2023 financial statements.

Activities during the year

The principal activity of PPL during 2023 was the collection and distribution of UK and international income for the broadcasting and public performance of sound recordings on behalf of its membership. PPL did not undertake any activities unrelated to collective rights management and, in addition to the information set out below, further details of PPL's activities during 2023 can be found in PPL's respective Annual Review.

Financial Results

2023 saw continued growth for PPL with total licence fee income of £283.5m (2022: £272.6m) and net distributable revenue reaching £247.2m (2022: £234.5m).

Distributions

Almost 150,000 performers received at least one payment from PPL in 2023 (2022: 150,000) together with just over 15,000 recording rights holders (2022: 15,000). PPL continues to maintain a high pay-through rate in its distributions of revenue and achieved a 95.4% pay-through of 2022 collections made available to distribute by 30 June 2023.

Business Review

Financially, 2023 was a strong year for PPL, with growth in income across all areas of UK licensing activity. Of particular significance was the continued growth seen in public performance and dubbing income, where 2023 saw an annual increase of 11%.

International income reached £75.4m, compared to £77.8m in 2022, with the small annual decline being predominantly driven by exceptional payments from certain territories, relating to multiple past periods, being received in 2022. Despite this PPL saw underlying growth in the number of agreements with overseas territories as well as a rise in the number of performers choosing to use PPL for their international collections.

Costs as a percentage of income decreased to 13.0% in 2023 from 13.3% in 2022, through a combination of growth in income and careful management of annual operating costs.

Information on refusal to grant a licence

Regulation 21(4)(c) requires the Annual Transparency Report to include information on any refusals to grant a licence in accordance with paragraph (5)(b)(ii) of Regulation 15. During 2023, PPL offered a licence to all applicants who requested a licence within PPL's mandated scope of activity and who provided the information necessary in order to calculate the fees due.

Legal and Governance structure of PPL

PPL is a private company limited by guarantee, registered in England and Wales with company number 288046.

PPL meets the definition of a CMO under the Regulations. Within the meaning of the Regulations, PPL has responsibilities under the Regulations to members (i.e. record companies and other owners/UK exclusive licensees of sound recording copyrights who meet the membership criteria under PPL's articles of association) and right holders who are not members but who have a direct legal relationship with PPL by law or by way of assignment, licence or other contractual arrangement (i.e. performers).

PPL has a Board of Directors that oversees all aspects of the company's business, including its costs, revenues, licensing and operating policies. There are up to 17 directors on the PPL Board with representation from both major and independent record companies and the performer community (the latter being represented by six Performer Directors). The non-executive directors of the PPL Board also carry out the supervisory function required under Regulation 8. As explained further below, certain of the PPL Board's powers and responsibilities are delegated to board committees.

PPL meets the requirements under the Regulations regarding general assemblies. The PPL AGM is typically held in June each year, at which directors are elected and PPL's members vote on PPL matters including (as applicable) the general assembly matters designated in Regulation 8. PPL also holds an Annual Performer Meeting at which Performer Directors are elected.

Members of the Board of Directors during 2023

Roxanne de Bastion
Soriya Clayton
Jackie Davidson
Joy Ellington
Julian French
Rob Gruschke
Nick Hartley
Hannah Joseph
David Lee
Peter Lale (appointed 16 November 2023)
Peter Leathem OBE
Sarah Mitchell
Charlotte Saxe
Chris Smith
John Smith
Michael Smith
Peter Thoms (resigned 16 November 2023)
Horace Trubridge

Board Remuneration

The remuneration paid in 2023 to the two executive board directors who were employed and paid by PPL, and who constitute the persons who manage PPL's business within the meaning of Regulation 9, was as follows: the remuneration paid to the Chief Executive Officer amounted to £891,775 and remuneration paid to the Chairman amounted to £82,774. The Chief Executive Officer is accruing post-employment benefits under the defined benefit scheme and is also a member of the defined contribution scheme.

The remuneration paid in 2023 to PPL's non-executive board directors (who exercise the supervisory function under Regulation 8), by way of meeting attendance fees, amounted to £103,737.

Board Committees

The Performer Board is a specialist committee of the PPL Board with responsibility for overseeing the performer-related aspects of PPL's operations. It includes the performer directors from the PPL Board and two other PPL Board directors.

The PPL Board was also supported by three other committees in 2023, the members of which represented a cross-section of major record companies, independent record companies and performers. Two of the three committees also included PPL management representatives. Committee remits, and all committee members, are determined by the PPL Board. This ensures that the directors (who have fiduciary duties to PPL and its members as a whole) can exercise appropriate governance. The three committees were:

- The Finance & Audit Committee which is primarily tasked with reviewing and setting PPL's revenue and costs budget, prior to ratification by the PPL Board. This is also a forum for PPL's auditors to talk directly to PPL's management and external stakeholders about their audit work with PPL.
- The Distribution Committee's primary function is to review and approve proposed distributions of revenue to PPL members (and the rules and processes underpinning them).
- The Remuneration Committee's role is to review executive remuneration. This is the one committee which consists entirely of PPL Board directors.

Entities owned or controlled by PPL in whole or in part

PPL controls in part the following companies:

- National Discography Limited, a company registered in England and Wales with company registration number 03302947 (currently dormant).
- PPL PRS Limited, a company registered in England and Wales with company registration number 10376001 (incorporated in 2016).

Financial Information

The 2023 audited financial statements of PPL (comprising of the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the Cash Flow Statement) are shown on the following pages.

PHONOGRAPHIC PERFORMANCE LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 £000
LICENCE FEE INCOME	283,546
Cost of collection and distribution	(36,745)
NET INCOME BEFORE INTEREST AND TAXATION	246,801
Interest receivable and similar income	4,503
Interest payable and similar expense	(493)
NET INCOME BEFORE TAXATION	250,811
Tax on profit	-
AMOUNT AVAILABLE FOR DISTRIBUTION	250,811
Anti-piracy protection and industry contributions	(3,622)
Amount to be distributed	(247,189)
RETAINED RESERVES	-
TOTAL COMPREHENSIVE RESULT FOR THE YEAR	-
Cost to income ratio	13.0%

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	2023 £000
FIXED ASSETS	
Intangible assets	4,031
Tangible assets	1,735
Investments	50
	5,816
CURRENT ASSETS	
Licence fees receivable	19,375
Other debtors	6,093
Prepayments and accrued income	17,275
Short term fixed deposits (Greater than 3 months)	75,000
Cash at bank and in hand	30,290
	148,033
CREDITORS: amounts falling due within one year	(156,770)
NET CURRENT (LIABILITIES)	(8,737)
TOTAL ASSETS LESS CURRENT LIABILITIES	(2,921)
PROVISIONS FOR LIABILITIES	(887)
NET LIABILITIES BEFORE PENSION LIABILITIES	(3,808)
NET LIABILITIES	(3,808)
RESERVES	
Accumulated losses	(3,808)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Accumulated losses £000
Balance as at 1 January 2022	(3,808)
Result for the financial year	-
Other comprehensive result for the year	-
Total comprehensive result for the year	-
Balance as at 31 December 2022	(3,808)
Result for the financial year	-
Other comprehensive result for the year	-
Total comprehensive result for the year	-
Balance as at 31 December 2023	(3,808)

CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 £000
CASHFLOWS FROM OPERATING ACTIVITIES	
Net cash from operating activities	242,323
Anti-piracy protection and industry contributions paid	(3,622)
Amounts distributed	(252,697)
Interest paid	(493)
Net cash (used in) / generated from operating activities	(14,489)
CASHFLOWS FROM INVESTING ACTIVITIES	
Purchase of intangible fixed assets	(1,348)
Purchase of tangible fixed assets	(1,322)
Interest received	3,040
Repayments from joint venture loan facility	1,307
Proceeds from short term fixed deposits	60,000
Purchases of short term fixed deposits	(55,000)
Net cash generated from / (used in) investing activities	6,677
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(7,812)
Cash and cash equivalents at the beginning of the year	38,102
Cash and cash equivalents at the end of the year	30,290
Cash and cash equivalents comprises:	
Cash at bank and in hand	30,290
Total cash and cash equivalents	30,290

Rights Revenue Collected and Associated Costs

The rights revenue collected during 2023 and the associated costs are shown below. All costs are funded from licence fee income:

Category of Rights	Revenue Collected £000	Costs Allocated £000	Cost Allocation %
Public Performance	115,919	20,596	18%
Broadcast	89,833	9,470	11%
New Media	6,259	679	11%
Programme	336	37	11%
International	75,399	5,251	7%
Total	287,746	36,033	

- Public Performance revenue is generated by the licensing of businesses from sectors across the UK to play recorded music in public. Also included in this category are dubbing revenues, which are generated through the licensing of copying PPL repertoire by specialist companies that provide music services to businesses.
- Broadcast revenue is generated from the licensing of TV and radio broadcasters to include recorded music within their programming and the subsequent sale of programming after it has been broadcast on a UK channel.
- New Media revenue derives from licensing the inclusion of recorded music in certain types of webcast services and licensing broadcasters to make previously broadcast programming (containing recorded music) available on-demand - e.g. as listen-again or catch-up services.
- Programme revenue stems from licensing the supply of TV broadcast programmes and spoken-word radio programmes (containing recorded music) to the general public on DVD and/or CD.
- International revenue is collected on behalf of mandated members through PPL's network of agreements with CMOs in other countries.

Total revenue collected as shown above differs from licence fee income reported in the Statement of Comprehensive Income due to a difference in the basis of revenue recognition. Licence fee income in the Statement of Comprehensive Income was recognised evenly over the period of the licence term whereas for distribution purposes, certain revenue was recognised on a cash received basis.

All costs incurred during a financial year are deducted from the subsequent distribution of revenue for that year. PPL undertakes a full cost allocation exercise each year to determine the deduction of costs from each category of rights. This includes a detailed assessment of all costs incurred, including time spent by employees on certain activities. Direct costs of licensing and distribution are allocated directly to each category of rights revenue or category of membership depending upon the type of activity. Indirect costs that cannot be allocated directly are pro-rated across each category of rights in proportion to the revenue collected. The same methodology and cost rates are applied to both direct members and members of other CMOs.

During the year £4.5 million in interest income was generated from the investment of rights revenue. Interest income was pro-rated across the categories of UK rights revenue and offset against the costs attributed to that revenue type for the year.

PPL is entirely self-funded and does not use any external funding to cover costs.

Non-Management Cost Deductions

The 2023 costs included non-management cost deductions for anti-piracy protection and industry contributions and charitable donations as listed below:

Non-Management Costs	2023 £000
Anti-Piracy Protection and Industry Contributions	
BPI (British Recorded Music Industry) Limited	1,881
The International Federation of the Phonographic Industry	920
UK Music	688
AIM / Impala	133
Total Anti-Piracy Protection and Industry Contributions	**3,622**
Charitable Donations	
Music Venue Trust	10
Total Charitable Donations	**10**
Total Non-Management Costs	**3,632**

Non-management costs are pro-rated across each category of rights in proportion to revenue, with the exception of any charitable donations that relate to a specific rights category. The full allocation of non-management costs by rights type for 2023 was as follows:

Category of Rights	Anti-Piracy Protection and Industry Contributions £000	Charitable Donations £000
Public Performance	1,977	10
Broadcast	1,532	0
New Media	107	0
Programme	6	0
Total Non-Management Costs	**3,622**	**10**

Allocations of Rights Revenue

Total allocations of rights revenue processed during 2023 (UK revenue relates to income collected in 2022, an adjustment of UK revenue covering periods between 2016 and 2021 along with an in-year UK distribution of 2023 revenue), including those made to direct members as well as members of other CMOs, were as follows:

Allocations by Rights Category	2023 £000
Broadcast	78,612
Public Performance	81,370
Programme	506
New Media	4,118
International	69,650
Total	**234,256**

Payments of Rights Revenue

Total payments of rights revenue made during 2023, including those made to direct members as well as members of other CMOs, were as follows:

Payments	2023 £000
UK Revenue[1]	180,216
International Revenue	70,910
Payment Adjustments[2]	20,725
Total	**271,851**

[1] *A further breakdown of payments by category of rights revenue is unavailable.*

[2] *Payment adjustments are predominantly made up of the net total of UK VAT, UK withholding taxes and interest.*

The main annual distribution of 2022 UK revenue took place in June 2023, while payments of international revenue and adjustments relating to previous distributions took place at intervals throughout the year as shown below:

Payment Date	Payment Type
31 March 2023	Distribution closure payment for 2015 undistributed revenue
	International revenue
30 June 2023	Main annual payment of UK revenue collected in 2022
	Adjustment of UK revenue collected during 2016-2021
	International revenue
29 September 2023	International revenue
14 December 2023	First payment of revenue collected in 2023*
	International revenue
	Adjustment of UK revenue collected during 2016-2022

*Ahead of the main distribution in June 2024, of UK revenues collected in 2023, PPL made an "in-year" UK revenue distribution in December 2023, covering an initial tranche of the UK revenues collected in 2023 and totalling £46.5m (2022: £39.2m.)

Distributions made outside the Regulation 12(2) deadline

Regulation 12(2) specifies that distributions of a CMO's rights revenue should be made within 9 months from the end of the financial year in which the rights revenue was collected, unless prevented by objective reasons.

Of the net UK revenue collected in 2022, £5.9 million (3.7% of the 2022 net distributable revenue) was first distributed to members in December 2023, three months outside the timescale set in Regulation 12(2). This was predominantly due to issues relating to the receipt of reporting from the music users, and the matching of information on recordings used with recording data provided by right holders. A total of £0.4 million remained unallocated to members at 31 December 2023.

PPL was prevented from distributing £0.4 million within the given timeframe due to objective reasons that are acknowledged under the Regulations. In particular, these include issues relating to reporting from the music users, and the matching of information on recordings used with recording data provided by right holders. The total included interim payments from several licensees which PPL held from distribution due to ongoing negotiations about the final terms and value of the relevant licences.

Held Revenue

Rights revenue that was unallocated to members as at 31 December 2023 (broken down by rights category and year of collection) is shown below:

Category of Rights	2017 £000	2018 £000	2019 £000	2020 £000	2021 £000	2022 £000	Total £000
Broadcast	2,337	2,405	1,395	1,638	2,132	2,772	12,678
Public Performance	14	9	1,516	1,087	1,625	3,076	7,327
New Media	16	43	67	73	97	132	428
Programme	10	18	13	12	11	18	83
International Income	125	28	147	233	99	491	1,123
Total	**2,502**	**2,502**	**3,138**	**3,043**	**3,965**	**6,489**	**21,639**
% of Net Distributable Revenue	1%	1%	1%	2%	2%	3%	2%

Of the net UK revenue collected in 2023 and available to be distributed to members in December 2023 (£46.5m), a total of £2.4 million remained undistributed to members at 31 December 2023.

PPL has continued to ensure that the amounts collected but not yet allocated to rights holders and performers are minimised. This has resulted in only a very small percentage remaining unallocated at the time of publishing the report. Continued improvements to systems, processes and policies have ensured the first-time pay-through rate remains above 95%, whilst also enabling further increases to pay-through for older collection periods. PPL works with its members and other CMOs to continually improve repertoire and member data quality, and has also developed distribution policy to increase the efficiency of its distributions.

There was also an additional £0.3 million in international income, collected in 2016, that remained unallocated at year-end.

Rights revenue that was allocated but unpaid at 31 December 2023, due to member accounts being on hold for such reasons as PPL awaiting the completion of performer registrations or awaiting valid bank details, was £13.2 million.

Non-Distributable Revenue

PPL operates a distribution closure process (in accordance with its general policy on non-distributable amounts, as adopted by PPL's AGM) whereby any undistributed UK revenue after a period of 6 years from the point of first distribution is made available for reallocation to members or to music industry causes approved for funding by the PPL Board or Performer Board. This measure is in line with the applicable 6-year statutory limitation period and means that PPL no longer accepts claims from members in relation to music which was used in a year once it is closed.

As at 31 December 2023, there was £2.2 million of UK rights revenue collected in 2016 that remained undistributed. The 2016 year was closed in accordance with the approved process and remaining funds were made available for payment, where applicable to members, in March 2024.

There is a similar closure process in respect of international revenue. As at 31 December 2023, there was £0.3 million of International revenue collected during 2016 that remained undistributed. This was also closed in March 2024.

During 2023, PPL contributed £0.9m from non-distributable UK revenues to industry causes, as listed below:

Contributions to Music Industry Causes	2023 £000
PRS for Music Foundation	600
Music Minds Matter	100
BAPAM	75
The BRIT School	40
Curve Theatre	30
ELAM (East London Arts & Music)	25
Jazz re:freshed	10
Tomorrow's Warriors	10
Lady of the House	10
LPMAM (London Performing Academy of Music)	9
The Young Musicians Symphony Orchestra	5
Total Contributions	**914**

Collective Management Organisations (CMOs)

As at 31st December 2023, PPL had 111 International agreements with CMOs across 51 countries. PPL received a first time payment from two new CMOs in 2023; Musicartes, Guatemala and SELMI, Indonesia.

International revenue received from other CMOs and paid to PPL members, as well as revenue collected by PPL and passed onto CMOs for their members during 2023, is split by CMO and territory below. In relation to the table below:

- "CMO revenue received" figures are shown net of any costs deducted by other CMOs before the funds were passed onto PPL.
- "CMO revenue paid to members" includes revenue received in 2023 and previous years from other CMOs that was paid to PPL's direct members in 2023. It is shown net of costs deducted by PPL (details of which are provided above).
- "PPL revenue paid to CMOs" includes all PPL revenue that was paid to members of other CMOs and is shown net of costs deducted by PPL (details provided above).
- For all revenue reported below, PPL is unable to provide a further split by category of rights.

Collective Management Organisation (CMO)	Territory	Member Type	CMO Revenue Received 2023 (£'000)	CMO Revenue Paid to Members 2023 (£'000)	PPL Revenue Paid to CMOs 2023 (£'000)
AKDIE	Albania	Performer	7	5	-
CAPIF	Argentina	Recording Rightsholder	-	-	2
PPCA	Australia	Performer	44	26	-
PPCA	Australia	Recording Rightsholder	768	490	27
LSG	Austria	Performer	1,483	62	83
LSG	Austria	Recording Rightsholder	349	346	5
Playright	Belgium	Performer	2,677	1,496	81
SIMIM	Belgium	Recording Rightsholder	490	497	11
ABRAMUS	Brazil	Performer	1,030	1,120	10
ABRAMUS	Brazil	Recording Rightsholder	94	82	-
SOCINPRO	Brazil	Performer	-	-	3
UBC	Brazil	Performer	-	-	10
PROPHON	Bulgaria	Performer	-	307	-
PROPHON	Bulgaria	Recording Rightsholder	15	1	2
ACTRA	Canada	Performer	1,633	1,061	250
ARTISTI	Canada	Performer	-	-	30
Connect ML	Canada	Recording Rightsholder	123	109	30
MROC	Canada	Performer	-	-	118
SOPROQ	Canada	Recording Rightsholder	-	-	4
HUZIP	Croatia	Performer	197	229	5
ZAPRAF	Croatia	Recording Rightsholder	20	22	1
INTERGRAM	Czech Republic	Performer	361	65	109
INTERGRAM	Czech Republic	Recording Rightsholder	98	148	5
GRAMEX DK	Denmark	Performer	1,857	1,250	126
GRAMEX DK	Denmark	Recording Rightsholder	193	7	11
MPO	Denmark	Recording Rightsholder	70	2	-
EEL	Estonia	Performer	52	15	3
EFU	Estonia	Recording Rightsholder	44	41	2
GRAMEX FIN	Finland	Performer	1,000	787	41
GRAMEX FIN	Finland	Recording Rightsholder	97	139	6
ADAMI	France	Performer	2,813	3,517	210
SCPP	France	Recording Rightsholder	472	349	19
SPEDIDAM	France	Performer	5,082	8,985	101
SPPF	France	Recording Rightsholder	9	4	34
GCA	Georgia	Performer	26	25	-
GVL	Germany	Performer	12,063	10,598	626
GVL	Germany	Recording Rightsholder	1,091	997	85
APOLLON	Greece	Performer	60	51	1
ERATO	Greece	Performer	-	1	2
GRAMMO	Greece	Recording Rightsholder	72	5	10
MUSICARTES	Guatemala	Performer	4	-	-
EJI	Hungary	Performer	647	430	12
Mahasz	Hungary	Recording Rightsholder	129	76	2
SFH	Iceland	Performer	259	147	3
ISRA	India	Performer	-	-	67
PPL INDIA	India	Recording Rightsholder	10	1	2
SELMI	Indonesia	Recording Rightsholder	2	-	-
PPI	Ireland	Performer	1,316	620	-
PPI	Ireland	Recording Rightsholder	233	165	89
RAAP	Ireland	Performer	50	211	370
IFPI ISRAEL	Israel	Recording Rightsholder	-	-	4
IMAIE	Italy	Performer	- 62	386	-
ITSRIGHT	Italy	Performer	-	-	75
ITSRIGHT	Italy	Recording Rightsholder	-	-	6
NUOVO IMAIE	Italy	Performer	3,599	2,560	57
SCF	Italy	Recording Rightsholder	173	260	38
JAMMS	Jamaica	Performer	-	-	35
JAMMS	Jamaica	Recording Rightsholder	8	3	30
CPRA	Japan	Performer	954	786	79
RIAJ	Japan	Recording Rightsholder	147	138	35
AMANAT	Kazakhstan	Performer	4	12	-
FKMP	Korea	Performer	227	190	69

Collective Management Organisation (CMO)	Territory	Member Type	CMO Revenue Received 2023 (£'000)	CMO Revenue Paid to Members 2023 (£'000)	PPL Revenue Paid to CMOs 2023 (£'000)
LAIPA	Latvia	Performer	300	2	1
LAIPA	Latvia	Recording Rightsholder	56	-	3
AGATA	Lithuania	Performer	-	168	2
AGATA	Lithuania	Recording Rightsholder	27	1	-
PPM	Malaysia	Recording Rightsholder	2	4	1
RPM	Malaysia	Performer	23	216	1
SOMEXFON	Mexico	Recording Rightsholder	-	-	4
Norma	Netherlands	Performer	214	187	-
SENA	Netherlands	Performer	2,972	3,301	349
SENA	Netherlands	Recording Rightsholder	248	427	120
STAP	Netherlands	Recording Rightsholder	16	-	-
Recorded Music NZ	New Zealand	Recording Rightsholder	141	146	20
GRAMO	Norway	Performer	1,037	920	111
GRAMO	Norway	Recording Rightsholder	56	75	31
NORWACO	Norway	Performer	-	18	-
PANAIE	Panama	Performer	7	-	-
SGP	Paraguay	Recording Rightsholder	-	-	1
SAWP	Poland	Performer	44	37	2
Stoart	Poland	Performer	1,492	1,134	16
ZPAV	Poland	Recording Rightsholder	28	13	12
GDA	Portugal	Performer	866	568	9
AUDIOGEST	Portugal	Recording Rightsholder	101	202	9
CREDIDAM	Romania	Performer	97	83	6
UPFR	Romania	Recording Rightsholder	52	24	-
VOIS	Russia	Performer	-	1	-
PI	Serbia	Performer	-	104	1
OFPS	Serbia	Recording Rightsholder	-	1	-
SLOVGRAM	Slovakia	Performer	-	43	2
SLOVGRAM	Slovakia	Recording Rightsholder	74	65	-
IPF	Slovenia	Performer	164	141	1
SAMPRA	South Africa	Performer	313	62	5
SAMPRA	South Africa	Recording Rightsholder	17	1	2
AGEDI	Spain	Recording Rightsholder	334	218	36
AIE	Spain	Performer	2,794	2,197	140
IFPI	Sweden	Recording Rightsholder	286	253	91
SAMI	Sweden	Performer	1,659	1,138	761
IFPI SWITZERLAND	Switzerland	Recording Rightsholder	-	-	13
SWISSPERFORM	Switzerland	Performer	1,991	1,404	59
SWISSPERFORM	Switzerland	Recording Rightsholder	154	28	-
ARCO	Taiwan	Recording Rightsholder	-	-	1
PHONOGRAPHIC THAILAND	Thailand	Recording Rightsholder	-	1	-
PNR	Thailand	Recording Rightsholder	6	3	-
ULCRR	Ukraine	Performer	-	-	1
ULCRR	Ukraine	Recording Rightsholder	1	1	-
UMA	Ukraine	Performer	-	-	1
AARC	United States	Performer	-	1	-
SoundExchange	United States	Performer	11,350	9,283	1,521
SoundExchange	United States	Recording Rightsholder	1,651	1,561	542
The Fund	United States	Performer	2,201	2,051	1,600
Camara Uruguaya del Disco	Uruguay	Recording Rightsholder	-	-	1
Total			**72,864**	**64,907**	**8,512**

The Directors
Phonographic Performance Limited
1 Upper James Street
London
W1F 9DE

22 April 2024

Dear Ladies and Gentlemen

Agreed-upon procedures report of factual findings in connection with the 2023 Transparency Report

Purpose of this Agreed-Upon Procedures Report

This report is produced in accordance with the terms of our agreement dated 15 April 2024. The procedures were performed solely to assist the company in fulfilling its reporting obligations under Regulation 21 of the Collective Management of Copyright (EU Directive) Regulations 2016 (the "Regulations") and may not be suitable for another purpose.

Your Responsibilities

The directors of Phonographic Performance Limited (the "company") have prepared the 2023 Transparency Report and remain solely responsible for it and for the creation and maintenance of all accounting and other records supporting its contents. The company's directors are also responsible for identifying and ensuring that the company complies with the terms of Regulation 21 of the Collective Management of Copyright (EU Directive) Regulations 2016 (the "Regulations").

You are responsible for determining that the scope of the services is sufficient for your purposes and have confirmed that the procedures described herein are appropriate for the purpose for which of the services were engaged.

Our Responsibilities

We have performed the procedures agreed with you and listed below on the 2023 Transparency Report. Our work was performed in accordance with the International Standard on Related Services (ISRS) 4400 (Revised) 'Agreed-Upon Procedures Engagements.'

We have complied with the ethical requirements in the Code of Ethics issued by the Institute of Chartered Accountants of England and Wales. For the purpose of this engagement, there are no independence requirements with which we are required to comply.

An agreed-upon procedures engagement involves performing the procedures that have been agreed with you, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

We have applied International Standard on Quality Control (ISQC) 1 'Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements', and accordingly, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

We performed the following procedures:

Procedures	Work performed
1. We will perform the procedures set out in paragraphs 2-20 and report to Phonographic Performance Limited ("PPL") the results of our work.	See below for procedures performed.
2. We will agree the balances in the financial statements required by section 21(4)(a) of the Collective Management of Copyright (EU Directive) Regulations 2016 (the "Regulations") to Phonographic Performance Limited's ("PPL") statutory financial statements for the year ended 31 December 2023.	We performed the procedures as set out with no matters to report.

3. We will obtain a detailed analysis of the amounts deducted for the purposes of social, cultural and educational services disclosed in accordance with section 21(5) of the Regulations and:
• agree the aggregate amounts deducted to PPL's statutory financial statements/underlying financial systems;
• agree the totals in the analysis to the disclosure in PPL's Transparency Report; and
• select a sample of items and:
  o agree the items directly to invoices or other third party documentation;
  o check that the disclosed purpose of the cost was consistent with the narrative information on the invoice or other third party documentation;
  o check that the cost was consistent with PPL's explanation of the use of the amounts;
  o when the cost was attributable to a category of rights managed, check that the category to which it was allocated was consistent; and
  o when the cost was not attributable to a category of rights managed, but was allocated across a number of categories:
    - check that the method of allocation was consistent with PPL's disclosure in accordance with the Regulations; and
    - recalculate the allocation of the cost across the categories.
	We performed the procedures as set out with no matters to report.

4. We will obtain a detailed analysis of the rights revenue, including the income arising from the investment of rights revenue disclosed in accordance with section 21(4)(h)(i) of the Regulations and: • agree the aggregate income to PPL's statutory financial statements/underlying financial systems; • agree the totals in the analysis to the disclosure in PPL's Transparency Report; and • select a sample of items and: o agree the items to bank receipts; o agree the items to third party documentation; and o check that the category of rights managed and type of use to which PPL had allocated the income was consistent with the third party evidence.	We performed the procedures as set out with no matters to report.
5. We will obtain a detailed analysis of the use of the rights revenue, including the income arising from the investment of rights revenue disclosed in accordance with section 21(4)(h)(ii) of the Regulations and: • agree the totals in the analysis to the disclosure in PPL's Transparency Report; and • for the items in the sample selected for (4): o agree the items to the detailed analysis of the use of the income arising from the investment of rights revenue; o agree the items to supporting evidence whether it had been paid to right holders, other CMOs or otherwise used; and o agree that it had been correctly included in the analysis of use.	We have performed all procedures listed except for the agreement of items to payments supporting evidence as the data relating to these items is not disaggregated in this manner in PPL's systems and the information is not available to be disclosed.
6. We will obtain a detailed analysis of all operating and financial costs disclosed in accordance with section 21(4)(i)(i) of the Regulations and: - agree the aggregate cost to PPL's statutory financial statements/underlying financial systems; - agree the totals in the analysis to the disclosure in PPL's Transparency report; - select a sample of 10 items and; • agree the items directly to invoices or other third party documentation; • check that the narrative information on the invoice or other third party documentation is consistent with their categorisation; and • check that the category of rights managed and type of use to which PPL has allocated the income is consistent with the third party evidence; and • check that the method of allocation of the indirect costs was consistent with PPL's disclosure in accordance with the Regulations.	We performed the procedures as set out with no matters to report.

7. We will obtain a detailed analysis of the operating and financial costs only with regard to the management of rights, including management fees deducted from or offset against rights revenue or income arising from the investment of rights revenue disclosed in accordance with section 21(4)(i)(ii) of the Regulations and: • agree the aggregate cost to PPL's statutory financial statements/underlying financial systems; • agree the totals in the analysis to the disclosure in PPL's Transparency Report; • select a sample of items and: o agree the items directly to invoices or other third party documentation; and o check that the narrative information on the invoice or other third party documentation was consistent with their categorisation; and • check that the method of allocation of the indirect costs was consistent with PPL's disclosure in accordance with the Regulations	As disclosed in the Annual Transparency Report, all costs associated with PPL relate to the management of rights and therefore this procedure has been tested as part of procedure 6 above.
8. We will obtain a detailed analysis of the operating and financial costs with regard to services other than the management of rights but including social, cultural and educational services disclosed in accordance with section 21(4)(i)(iii) of the Regulations and: • agree the aggregate cost to PPL's statutory financial statements/underlying financial systems; • agree the totals in the analysis to the disclosure in PPL's Transparency Report; and • select a sample of items and: o agreed the items directly to invoices or other third party documentation; and o checked that the narrative on the invoice or other third party documentation was consistent with their categorisation.	As disclosed in the Annual Transparency Report, all costs associated with PPL relate to the management of rights and these have been tested as part of procedure 6 above. Costs relating to social, cultural and educational services have been tested as part of procedure 3.
9. We will obtain a detailed analysis of the resources used to cover the costs disclosed in accordance with section 21(4)(i)(iv) of the Regulations and: • agree the aggregate cost to PPL's statutory financial statements/underlying financial systems; • agree the totals in the analysis to the disclosure in PPL's Transparency Report; and • select a sample of items and agreed the items to supporting evidence.	In relation to the procedure, no testing has been performed as PPL does not require external funding in order to cover costs. A disclosure to this effect has been included on page 8 of the Annual Transparency Report.

10. We will obtain a detailed analysis of the deductions made from rights revenue disclosed in accordance with section 21(4)(i)(v) of the Regulations and:
• agree the aggregate deduction to PPL's statutory financial statements/underlying financial systems;
• agree the totals in the analysis to the disclosure in PPL's Transparency Report; and
• select a sample of items and:
  o agree the items directly to third party documentation; and
  o check that the third party documentation is consistent with their categorisation.
	As disclosed in the Annual Transparency Report, all costs associated with PPL relate to the management of rights and therefore this procedure has been tested as part of procedure 6 above.

11. We will recalculate the percentages that the cost of the rights management and other services provided to right holders represents compared to the rights revenue disclosed in accordance with section 21(4)(i)(vi) of the Regulations.	We performed the procedures as set out with no matters to report.
12. We will obtain a detailed analysis of the indirect costs included in the analysis of the cost of the rights management and other services provided to right holders for the purposes of section 21(4)(i)(vi) of the Regulations and: • select a sample of items and agreed the items directly to third party invoices or other third party documentation; and • check that the method of allocation of the indirect costs was consistent with PPL's disclosure in accordance with the Regulations.	The indirect costs are split in the cost of collection and distribution. These have been tested as part of procedure 6 above.
13. We will obtain a detailed analysis of the total amount attributed to right holders, the total amount paid to rights holders, the total amount collected but not attributed to right holders and the total amount attributed to, but not yet paid to, right holders disclosed in accordance with sections 21(4)(j)(i), 21(4)(j)(ii), 21(4)(j)(iv) and 21(4)(j)(v) of the Regulations and: • agree the aggregate amounts to PPL's statutory financial statements/underlying financial systems; • agree the totals in the analysis to the disclosure in PPL's Transparency Report; and • select a sample of items and traced the items to third party documentation to check that the amount allocated and the category of rights managed and type of use to which was it was allocated was consistent with the documentation.	We have performed all procedures listed except for testing for the appropriate split of rights types for 'Amounts paid to rights holders' and 'Amount attributed to, but not yet paid to rights holders' as the data relating to these items is not disaggregated in this manner in PPL's systems and the information (i.e. the split by rights type for these items) is not available to be disclosed.

14. We will obtain a detailed analysis of the payments made to rights holders and:
• agree the frequency disclosed in PPL's Transparency Report for each category of rights managed and type of use to the analysis;
• select a sample of items and agreed the items to bank payments to check that the payments were made in accordance with the analysis; and
• from a total population of all incoming receipts received by PPL for distribution within the period provided for in paragraph (2) in regulation (12), select a sample of receipts, and,
  o When the distribution process has identified the intended recipients check that bank payments were made to those recipients within the specified timescales. If any distributions had not met the specified timescales, understand the reasons why and checked that they agreed to those disclosed by PPL in accordance with the Regulations; and
  o When the distribution process has not yet identified the intended recipients, understood the reasons why and check that they agreed to those disclosed by PPL in accordance with the Regulations.
	We performed the procedures as set out with no matters to report.

15. We will select a sample of transfers from non-distributable income to distributable, understand the basis of the transfer, and ensure it has been transferred in accordance with the specified timescales. For the non-distributable income transferred out, we will select a sample of payments and ensure the explanation of the use to which the amounts were put agrees to source documentation.	We performed the procedures as set out with no matters to report.

16. We will obtain a detailed analysis of the amounts received from and paid to other CMOs disclosed in accordance with section 21(4)(k)(i) of the Regulations and:
• agree the aggregate amounts received from and paid to other CMOs to PPL's statutory financial statements/underlying financial systems;
• agree the totals for each category of rights managed and type of use to the amounts disclosed in PPL's Transparency Report; and
• select a sample of items and agree them to:
  o bank receipts or payments; and
  o supporting documentation evidencing that the receipt or payment was from/due to another CMO.
	PwC has performed these procedures with no matters to report except that we have been unable to agree the totals for each category of rights managed as this information is not always made available to PPL by other CMOs and has not been disclosed in the report.

17. We will obtain a detailed analysis of the management fees and other deductions from the rights revenue due to other CMOs and the management fees and other deductions from the amounts paid by other CMOs disclosed in accordance with sections 21(4)(k)(ii) and 21(4)(k)(iii) of the Regulations and: • agree the aggregate deduction for each category of rights and type of use to the amounts disclosed in PPL's Transparency Report; and • select a sample of invoices and agree them to invoices or other supporting documentation evidencing that the classification was consistent.	We understand that PPL have allocated costs associated with CMO revenue using the same method as for other revenue streams as set out on page 8 of the Annual Transparency Report. The disclosure has therefore been tested as part of our testing for procedures 6.
18. We will obtain a detailed analysis of the amounts distributed directly to right holders from other CMOs disclosed in accordance with section 21(4)(k)(iv) of the Regulations and: • agree the totals for each category of rights managed to the amounts disclosed in PPL's Transparency Report; and • select a sample of items and agree them to: o bank receipts from PPL and payments to the right holders; and o supporting documentation evidencing that the receipt from PPL was due to the right holders.	We performed the procedures as set out with no matters to report.
19. We will read the other financial and non-financial information presented within and with PPL's Transparency Report and consider whether there is a material inconsistency between the other financial and non-financial information presented and the financial information that we have performed work on in tests 2-18 or our knowledge obtained during the course of our work.	We performed the procedures as set out with no matters to report.
20. For the purposes of tests 2-18, we selected a sample of items in accordance with Appendix 1.	No matters to report.

Our procedures, as stated in our agreement, did not constitute an audit or assurance engagement made in accordance with generally accepted auditing or assurance standards, the objective of which would be the expression of assurance on the contents of the 2023 Transparency Report. We do not express such assurance. Had we performed additional procedures or had we performed an audit or assurance engagement on the Transparency Report, other matters might have come to our attention that we would have reported to you. This report relates only to the Transparency Report and does not extend to any financial statements of the company taken as a whole.

Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditors of the company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services, will extend any duty of care we may have in our capacity as auditors of any financial statements of the company.

This report is solely for your use in connection with the purpose specified above and as set out in our agreement. No part of this report is to be copied or distributed to any other party except as permitted under the terms of our agreement. We do not accept any liability or responsibility to any third party.

Yours faithfully,

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
London
22 April 2024

Appendix 1: Thresholds and Sampling

Thresholds

Basis	Threshold
Income	5%
Allocated to right holders	5%
Cost of rights management	5%
Due to right holders	5%

Sampling

Area	Total sample size	Max	Min	Part of section 21 covered
Income	5% of transactions	10	1	4h
Allocated to right holders	5% of transactions	10	1	4j(i), 4k
Costs of rights management	5% of transactions	10	1	4g, 4i, 4k
Due to right holders	5% of transactions	10	1	4j (ii to vii), 4k

Notes:

a. All items over thresholds are to be tested, limited to the total sample size.

b. Any remaining items in the sample are to be selected at random.

c. Random selections should be weighted by “category of rights managed” and sampled from the category analysis included in the CMOs transparency report.

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