

# **Phonographic Performance Limited (PPL)**

## **2024 Transparency Report**

This transparency report relates to PPL's financial year ended 31 December 2024 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 2024 and such information has therefore been subject to audit by PricewaterhouseCoopers LLP, and their audit report is included with PPL's 2024 financial statements.

### **Activities during the year**

The principal activity of PPL during 2024 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 2024 can be found in PPL's respective Annual Review.

### **Financial Results**

2024 saw continued growth for PPL with total licence fee income of £301.0m (2023: £283.5) and net distributable revenue reaching £261.9m (2023: £247.2m).

### **Distributions**

Over 156,000 performers received at least one payment from PPL in 2024 (2023: almost 150,000) together with over 16,000 recording rights holders (2023: 15,000). PPL continues to maintain a high pay-through rate in its distributions of revenue and achieved a 95.6% pay-through of 2023 collections made available to distribute by 30 June 2024.

### **Business Review**

2024 saw a record performance for PPL with total collections for members passing £300 million for the first time. Both UK and international income showed increases on the 2023 results, with UK collections achieving a 6% year-on-year increase, and international collections securing a notable 7% year-on-year uplift where PPL continues to drive to expand this service.

PPL continued to invest in both its employees and its technology infrastructure throughout 2024, with the aim of delivering improved services to our members, supporting future revenue growth and achieving increased efficiency across the business. This was achieved with a cost-to-income ratio of just above 13%, which was in line with both 2023 and 2022.

### **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 2024, 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/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 2024**

Roxanne de Bastion  
Rachel Bolt (appointed 21 November 2024)  
Soriya Clayton  
Jackie Davidson  
Joy Ellington  
Julian French  
Rob Gruschke  
Nick Hartley  
Hannah Joseph (resigned 21 November 2024)  
David Lee  
Peter Lale  
Peter Leathem OBE  
Sarah Mitchell  
Charlotte Saxe  
Chris Smith  
John Smith  
Michael Smith  
Horace Trubridge

### **Board Remuneration**

The remuneration paid in 2024 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 £1,049,641 and remuneration paid to the Chairman amounted to £85,257. 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 2024 to PPL's non-executive board directors (who exercise the supervisory function under Regulation 8), by way of meeting attendance fees, amounted to £109,635.

### **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 2024, 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 and 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 2024 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.

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### PHONOGRAPHIC PERFORMANCE LIMITED

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#### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

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	2024 £000
<b>LICENCE FEE INCOME</b>	301,027
Cost of collection and distribution	(39,881)
<b>NET INCOME BEFORE INTEREST AND TAXATION</b>	261,146
Interest receivable and similar income	5,695
Interest payable and similar expense	(786)
<b>NET INCOME BEFORE TAXATION</b>	266,055
Tax on profit	-
<b>AMOUNT AVAILABLE FOR DISTRIBUTION</b>	266,055
Anti-piracy protection and industry contributions	(4,140)
Amount to be distributed	(261,915)
<b>RETAINED RESERVES</b>	-
<b>TOTAL COMPREHENSIVE RESULT FOR THE YEAR</b>	-
<b>Cost to income ratio</b>	13.2%

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## PHONOGRAPHIC PERFORMANCE LIMITED

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### STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

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	2024 £000
<b>FIXED ASSETS</b>	
Intangible assets	6,421
Tangible assets	1,335
Investments	2,163
	<hr/> 9,919
<b>CURRENT ASSETS</b>	
Licence fees receivable	16,751
Other debtors	3,068
Prepayments and accrued income	28,813
Short term fixed deposits (Greater than 3 months)	55,000
Cash at bank and in hand	49,479
	<hr/> 153,111
<b>CREDITORS: amounts falling due within one year</b>	<hr/> (165,781)
<b>NET CURRENT (LIABILITIES)</b>	<hr/> (12,670)
	<hr/> (2,751)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	
<b>PROVISIONS FOR LIABILITIES</b>	(1,057)
<b>NET LIABILITIES BEFORE PENSION LIABILITIES</b>	(3,808)
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<b>NET LIABILITIES</b>	<hr/> (3,808)
<b>RESERVES</b>	
Accumulated losses	<hr/> (3,808)

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## PHONOGRAPHIC PERFORMANCE LIMITED

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### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

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	Accumulated losses £000
<b>Balance as at 1 January 2023</b>	(3,808)
Result for the financial year	-
Other comprehensive result for the year	-
Total comprehensive result for the year	-
<b>Balance as at 31 December 2023</b>	(3,808)
Result for the financial year	-
Other comprehensive result for the year	-
Total comprehensive result for the year	-
<b>Balance as at 31 December 2024</b>	(3,808)

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## PHONOGRAPHIC PERFORMANCE LIMITED

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### CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

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	2024 £000
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>	
Net cash flow from operating activities	263,586
Anti-piracy protection and industry contributions paid	(4,135)
Amounts distributed	(261,990)
Interest paid	(786)
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<b>Net cash (used in) operating activities</b>	<b>(3,325)</b>
 <b>CASHFLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of intangible fixed assets	(4,096)
Purchase of tangible fixed assets	(190)
Interest received	6,096
Repayments from joint venture loan facility	704
Proceeds from short term fixed deposits	75,000
Purchases of short term fixed deposits	(55,000)
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<b>Net cash generated from investing activities</b>	<b>22,514</b>
 <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>19,189</b>
 Cash and cash equivalents at the beginning of the year	30,290
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<b>Cash and cash equivalents at the end of the year</b>	<b>49,479</b>
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 <b>Cash and cash equivalents comprises:</b>	
Cash at bank and in hand	49,479
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<b>Total cash and cash equivalents</b>	<b>49,479</b>
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## Rights Revenue Collected and Associated Costs

The rights revenue collected during 2024 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	124,431	22,056	18%
Broadcast	89,283	9,757	11%
New Media	8,987	1,023	11%
Programme	380	44	12%
International	81,016	5,659	7%
<b>Total</b>	<b>304,097</b>	<b>38,539</b>	

- 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 £5.7 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 2024 costs included non-management cost deductions for anti-piracy protection and industry contributions and charitable donations as listed below:

Non-Management Costs	2024 £000
<b>Anti-Piracy Protection and Industry Contributions</b>	
BPI (British Recorded Music Industry) Limited	2,388
The International Federation of the Phonographic Industry	958
UK Music	624
AIM / Impala	150
CIISA Board of Finance	20
<b>Total Anti-Piracy Protection and Industry Contributions</b>	<b>4,140</b>
<b>Charitable Donations</b>	
Hospital Broadcasting Association	28
Cancer Awareness Trust	18
British Association for Performing Arts Medicine	3
Small Green Shoots	1
<b>Total Charitable Donations</b>	<b>50</b>
<b>Total Non-Management Costs</b>	<b>4,190</b>

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 2024 was as follows:

Category of Rights	Anti-Piracy Protection and Industry Contributions £000	Charitable Donations £000
Public Performance	2,309	12
Broadcast	1,657	36
New Media	167	1
Programme	7	1
<b>Total Non-Management Costs</b>	<b>4,140</b>	<b>50</b>

## Allocations of Rights Revenue

Total allocations of rights revenue processed during 2024 (UK revenue relates to income collected in 2023, an adjustment of UK revenue covering periods between 2017 and 2022 along with an in-year UK distribution of 2024 revenue), including those made to direct members as well as members of other CMOs, were as follows:

Allocations by Rights Category	2024 £000
Public Performance	97,275
Broadcasting	78,371
New Media	7,510
Programme	421
International	71,004
<b>Total</b>	<b>254,580</b>

## Payments of Rights Revenue

Total payments of rights revenue made during 2024, including those made to direct members as well as members of other CMOs, were as follows:

Payments	2024 £000
UK Revenue <sup>1</sup>	189,439
International Revenue	72,804
Payment Adjustments <sup>2</sup>	22,401
<b>Total</b>	<b>284,644</b>

<sup>1</sup> A further breakdown of payments by category of rights revenue is unavailable.

<sup>2</sup> Payment adjustments are predominately made up of the net total of UK VAT, UK withholding taxes and interest.

The main annual distribution of 2023 UK revenue took place in June 2024, 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
28 March 2024	Distribution closure payment for 2016 undistributed revenue International revenue
28 June 2024	Main annual payment of UK revenue collected in 2023 Adjustment of UK revenue collected during 2017-2022 International revenue
30 September 2024	International revenue
17 December 2024	First payment of revenue collected in 2024* International revenue Adjustment of UK revenue collected during 2017-2023

\*Ahead of the main distribution in June 2025, of UK revenues collected in 2024, PPL made an “in-year” UK revenue distribution in December 2024, covering an initial tranche of the UK revenues collected in 2024 totalling £48.6m (2023: £46.5m.)

## 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 2023, £7.0 million (4.0% of the 2023 net distributable revenue) was first distributed to members in December 2024, three months outside the timescale set in Regulation 12(2). A total of £0.3 million remained undistributed to members at 31 December 2024.

PPL was prevented from distributing £7.3 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 also 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 2024 (broken down by rights category and year of collection) is shown below:

Category of Rights	2018	2019	2020	2021	2022	2023	Total
	£000	£000	£000	£000	£000	£000	£000
Broadcast	1,964	2,173	1,585	1,680	2,125	2,847	12,374
Public Performance	504	659	1,023	1,241	2,308	3,993	9,728
New Media	48	68	71	94	122	173	575
Programme			11	10	16	12	50
International Income	22	146	223	85	137	8	621
<b>Total</b>	<b>2,537</b>	<b>3,047</b>	<b>2,914</b>	<b>3,109</b>	<b>4,709</b>	<b>7,033</b>	<b>23,349</b>
<i>% of Net Distributable Revenue</i>	<i>1%</i>	<i>1%</i>	<i>2%</i>	<i>1%</i>	<i>2%</i>	<i>3%</i>	<i>2%</i>

Of the net UK revenue collected in 2024 and available to be distributed to members in December 2024 (£48.6m), a total of £2.0 million remained undistributed to members at 31 December 2024.

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.

Rights revenue that was allocated but unpaid at 31 December 2024, due to member accounts being on hold for such reasons as PPL awaiting the completion of performer registrations or awaiting valid bank details, was £15.7 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 2024, there was £2.3 million of UK rights revenue collected in 2017 that remained undistributed. The 2017 year was closed in accordance with the approved process and remaining funds were made available for payment, where applicable to members, in March 2025.

There is a similar closure process in respect of international revenue. As at 31 December 2024, there was £0.5 million of International revenue collected during 2017 that remained undistributed. This was also closed in March 2025.

During 2024, PPL contributed £1.3m from non-distributable UK revenues to industry causes, as listed below:

<b>Contributions to Music Industry Causes</b>	<b>2024 £000</b>
PRS Foundation	600
British Association for Performing Arts Medicine	100
Music Minds Matter	50
The BRIT School	40
Music Managers Forum	40
Ivors Academy Trust	33
Curve Theatre	30
Youth Music	30
ELAM (East London Arts & Music)	25
World Heart Beat Music Academy Limited	24
iluvlive	21
Donmar Productions Limited	18
Attitude is Everything	15
The Young Musicians Symphony Orchestra	15
Moving on Music Ltd	15
B:Music Ltd	15
Wide Events CIC	15
South Asian Arts UK	15
Saffron Records	15
Music Leeds	15
Generator North East Ltd	13
Heart n Sole	12
Baby People Limited	12
United Development	10
Music for Youth	10
Last Night A DJ Saved My Life	10
NQ Legacy CIC	10
Tonic Music	10
Other Donations Under £10k	49
	<b>1,265</b>

## **Collective Management Organisations (CMOs)**

As at 31st December 2024, PPL had 113 International agreements with CMOs across 52 countries. PPL received a first time payment from two new CMOs in 2024; AGINPRO and RAYS.

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 2024 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 2024 and previous years from other CMOs that was paid to PPL’s direct members in 2024. 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	CMO Revenue Paid to Members	PPL Revenue Paid to CMOs
			2024 (£'000)	2024 (£'000)	2024 (£'000)
ABRAMUS	Brazil	Performer	1,082	1,022	9
ABRAMUS	Brazil	Recording Rightsholder	99	89	-
ACTRA	Canada	Performer	2,021	1,792	254
ADAMI	France	Performer	2,595	997	174
AGATA	Lithuania	Performer	573	216	1
AGATA	Lithuania	Recording Rightsholder	30	25	-
AGEDI	Spain	Recording Rightsholder	315	175	47
AGINPRO	Guatemala	Recording Rightsholder	10	4	-
AIE	Spain	Performer	2,915	2,568	200
AIE	Paraguay	Performer	-	6	-
AKDIE	Albania	Performer	9	7	-
AMANAT	Kazakhstan	Performer	3	1	-
APOLLON	Greece	Performer	-	2	1
ARTISTI	Canada	Performer	-	-	36
AUDIOGEST	Portugal	Recording Rightsholder	217	138	13
CAMARA URUGUAYA DEL DISCO	Uruguay	Recording Rightsholder	-	-	3
CAPIF	Argentina	Recording Rightsholder	-	-	3
CONNECT ML	Canada	Recording Rightsholder	229	129	12
CPRA	Japan	Performer	708	843	90
CREDIDAM	Romania	Performer	316	249	5
EEL	Estonia	Performer	94	1	7
EFU	Estonia	Recording Rightsholder	37	34	3
EJI	Hungary	Performer	747	513	8
ERATO	Greece	Performer	35	-	1
ESMAA	UAE	Performer	3	-	-
FKMP	Korea	Performer	226	191	55
GCA	Georgia	Performer	-	1	-
GDA	Portugal	Performer	695	730	8
GRAMEX	Denmark	Performer	1,696	1,448	136
GRAMEX	Denmark	Recording Rightsholder	234	319	17
GRAMEX	Finland	Performer	898	803	32
GRAMEX	Finland	Recording Rightsholder	81	89	7
GRAMMO	Greece	Recording Rightsholder	33	52	12
GRAMO	Norway	Performer	1,069	955	75
GRAMO	Norway	Recording Rightsholder	68	51	7
GVL	Germany	Performer	16,639	11,808	599
GVL	Germany	Recording Rightsholder	1,140	819	96
HUZIP	Croatia	Performer	229	199	3
IFPI	Sweden	Recording Rightsholder	544	454	92
IFPI	Switzerland	Recording Rightsholder	-	-	15
IMAIE	Italy	Performer	-	66	-
INTERGRAM	Czech Republic	Performer	474	32	74
INTERGRAM	Czech Republic	Recording Rightsholder	-	4	6
IPF	Slovenia	Performer	500	-	1
ISAMRA	India	Performer	22	15	73
ITSRIGHT	Italy	Performer	-	-	81
ITSRIGHT	Italy	Recording Rightsholder	-	-	8
JAMMS	Jamaica	Performer	-	-	20
JAMMS	Jamaica	Recording Rightsholder	11	11	28
LAIPA	Latvia	Performer	146	356	1
LAIPA	Latvia	Recording Rightsholder	29	77	3
LSG	Austria	Performer	1,606	1,213	58
LSG	Austria	Recording Rightsholder	170	162	7
MAHASZ	Hungary	Recording Rightsholder	113	91	7
MPO	Denmark	Recording Rightsholder	74	6	-
MROC	Canada	Performer	-	-	133

Collective Management Organisation (CMO)	Territory	Member Type	CMO Revenue Received	CMO Revenue Paid to Members	PPL Revenue Paid to CMOs
			2024 (£'000)	2024 (£'000)	2024 (£'000)
MUSICARTES GUATEMALA	Guatemala	Performer	-	3	-
NORMA	Netherlands	Performer	563	178	-
NORWACO	Norway	Performer	470	7	-
NUOVO IMAIE	Italy	Performer	2,480	1,597	61
PANAIE	Panama	Performer	-	5	-
PI	Serbia	Performer	323	121	1
PLAYRIGHT	Belgium	Performer	2,303	2,122	70
PNR	Thailand	Recording Rightsholder	2	2	10
PPCA	Australia	Performer	29	48	-
PPCA	Australia	Recording Rightsholder	777	772	37
PPI	Ireland	Performer	1,009	772	-
PPI	Ireland	Recording Rightsholder	293	224	134
PPL	India	Recording Rightsholder	7	13	7
PROPHON	Bulgaria	Performer	107	94	-
PROPHON	Bulgaria	Recording Rightsholder	-	-	3
RAAP	Ireland	Performer	78	62	382
RAYS	Azerbaijan	Performer	2	1	-
RECORDED MUSIC NZ	New Zealand	Recording Rightsholder	171	140	27
RIAJ	Japan	Recording Rightsholder	183	136	42
RPM	Malaysia	Performer	116	49	-
SAI	France	Performer	228	-	-
SAMI	Sweden	Performer	1,651	1,924	829
SAMPRA	South Africa	Performer	310	273	6
SAMPRA	South Africa	Recording Rightsholder	42	13	1
SAWP	Poland	Performer	26	39	2
SCF	Italy	Recording Rightsholder	419	217	50
SCPP	France	Recording Rightsholder	770	565	27
SELM	Indonesia	Recording Rightsholder	-	1	-
SENA	Netherlands	Performer	5,104	4,484	438
SENA	Netherlands	Recording Rightsholder	646	612	153
SFH	Iceland	Performer	101	76	2
SIMM	Belgium	Recording Rightsholder	620	532	17
SLOVGRAM	Slovakia	Performer	121	52	1
SLOVGRAM	Slovakia	Recording Rightsholder	20	1	-
SOCINPRO	Brazil	Performer	-	-	2
SOMEXFON	Mexico	Recording Rightsholder	-	-	4
SOPROFON	Ecuador	Recording Rightsholder	-	-	1
SOPROQ	Canada	Recording Rightsholder	-	-	7
SOUNDEXCHANGE	United States	Performer	12,208	10,902	1,694
SOUNDEXCHANGE	USA	Recording Rightsholder	1,693	1,358	415
SPEDIDAM	France	Performer	3,946	5,967	129
SPPF	France	Recording Rightsholder	14	7	40
STAP	Netherlands	Recording Rightsholder	14	14	-
STOART	Poland	Performer	1,204	1,412	14
SWISSPERFORM	Switzerland	Performer	1,907	1,661	51
SWISSPERFORM	Switzerland	Recording Rightsholder	150	142	1
THE FUND	United States	Performer	2,064	1,828	1,707
UBC	Brazil	Performer	-	-	15
ULCRR	Ukraine	Recording Rightsholder	4	-	-
UMA	Ukraine	Performer	-	21	1
UNIMPRO	Peru	Recording Rightsholder	-	-	1
UPFR	Romania	Recording Rightsholder	77	14	-
ZAPRAF	Croatia	Recording Rightsholder	19	16	1
ZAVOD IPF	Slovenia	Performer	-	202	-
ZAVOD IPF	Slovenia	Recording Rightsholder	10	9	-
ZPAV	Poland	Recording Rightsholder	-	4	15
<b>Total</b>			<b>81,016</b>	<b>67,459</b>	<b>8,919</b>



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

16 April 2025

Dear Ladies and Gentlemen

## **Agreed-upon procedures report of factual findings in connection with the 2024 Transparency Report**

### **Purpose of this Agreed-Upon Procedures Report**

This report is produced in accordance with the terms of our agreement dated 10 April 2025. 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 2024 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 2024 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 2024.	We performed the procedures as set out with no matters to report.
<p>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:</p> <ul style="list-style-type: none"> <li>• agree the aggregate amounts deducted to PPL’s statutory financial statements/underlying financial systems;</li> <li>• agree the totals in the analysis to the disclosure in PPL’s Transparency Report; and</li> <li>• select a sample of items and: <ul style="list-style-type: none"> <li>○ agree the items directly to invoices or other third party documentation;</li> <li>○ check that the disclosed purpose of the cost was consistent with the narrative information on the invoice or other third party documentation;</li> <li>○ check that the cost was consistent with PPL’s explanation of the use of the amounts;</li> <li>○ when the cost was attributable to a category of rights managed, check that the category to which it was allocated was consistent; and</li> <li>○ when the cost was not attributable to a category of rights managed, but was allocated across a number of categories: <ul style="list-style-type: none"> <li>- check that the method of allocation was consistent with PPL’s disclosure in accordance with the Regulations; and</li> <li>- recalculate the allocation of the cost across the categories.</li> </ul> </li> </ul> </li> </ul>	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:
  - agree the items to bank receipts;
  - agree the items to third party documentation; and
  - 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):
  - agree the items to the detailed analysis of the use of the income arising from the investment of rights revenue;
  - agree the items to supporting evidence whether it had been paid to right holders, other CMOs or otherwise used; and
  - 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:

- a. agree the aggregate cost to PPL's statutory financial statements/underlying financial systems;
- b. agree the totals in the analysis to the disclosure in PPL's Transparency Report;
- c. select a sample of items and:
  - i. agree the items directly to invoices or other third party documentation; and
  - ii. check that the narrative information on the invoice or other third party documentation was consistent with their categorisation; and
- d. 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:

- a. agree the aggregate cost to PPL's statutory financial statements/underlying financial systems;
- b. agree the totals in the analysis to the disclosure in PPL's Transparency Report; and
- c. select a sample of items and:
  - i. agreed the items directly to invoices or other third party documentation; and
  - ii. 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:
  - agree the items directly to third party documentation; and
  - 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:

- a. select a sample of items and agreed the items directly to third party invoices or other third party documentation; and
- b. 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:

- a. agree the aggregate amounts to PPL's statutory financial statements/underlying financial systems;
- b. agree the totals in the analysis to the disclosure in PPL's Transparency Report; and
- c. 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 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:

- a. agree the frequency disclosed in PPL's Transparency Report for each category of rights managed and type of use to the analysis;
- b. 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
- c. 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,
  - i. 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
  - ii. 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 have obtained an understanding of the basis of transfer for the amounts, which were transferred outside the expected timescale, as disclosed in the transparency report. These amounts were paid as part of the December 2024 distribution process among other amounts and thus no separate payments were identified.

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:

- a. agree the aggregate amounts received from and paid to other CMOs to PPL's statutory financial statements/underlying financial systems;
- b. agree the totals for each category of rights managed and type of use to the amounts disclosed in PPL's Transparency Report; and
- c. select a sample of items and agree them to:
  - i. bank receipts or payments; and
  - ii. 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:

- a. agree the aggregate deduction for each category of rights and type of use to the amounts disclosed in PPL's Transparency Report; and
- b. select a sample of items 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:

- a. agree the totals for each category of rights managed to the amounts disclosed in PPL's Transparency Report; and
- b. select a sample of items and agree them to:
  - i. bank receipts from PPL and payments to the right holders; and
  - ii. 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 2024 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,

A handwritten signature in dark ink, appearing to read 'PricewaterhouseCoopers LLP'.

PricewaterhouseCoopers LLP  
Chartered Accountants  
London  
16 April 2025

## 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:

- All items over thresholds are to be tested, limited to the total sample size.
- Any remaining items in the sample are to be selected at random.
- 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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