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 2024

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their Strategic Report on Phonographic Performance Limited (PPL) for the year ended 31 December 2024.

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

2024 saw a record performance for PPL with total collections for members passing £300 million for the first time. Licence fee income totalled £301.0 million (2023: £283.5m) with net distributable revenue of £261.9 million (2023: £247.2m). 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.

KEY PERFORMANCE INDICATORS

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

	2024	**2023**
Public performance and dubbing (inc. Narrowcasting)	£121.4m	£111.7m
Broadcasting and online	£98.6m	£96.4m
International	£81.0m	£75.4m
Total licence fee income	£301.0m	£283.5m
Net distributable revenue	£261.9m	£247.2m
Cost to income ratio	13.2%	13.0%

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 corporate risk log is regularly maintained and reviewed by PPL's Finance and Audit Committee.

Economic risk exists where there is uncertainty in the broader geopolitical landscape. Economic conditions in the UK and political instability abroad play a key part in the company's ability to generate licensing income and manage transactions with overseas territories.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

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 will carry out another Scope 1,2 and 3 assessment of 2024 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).

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.

SECTION 172(1) STATEMENT (continued)

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.

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.

Throughout 2024 PPL management regularly communicated with the PPL Board and the Finance and Audit Committee in relation to legislative matters that had the potential to impact on PPL's operations and membership. The main example being the consultation from the UK Intellectual Property Office on performer qualification.

As at the end of 2024, 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.

SECTION 172(1) STATEMENT (continued)

The budget for 2025 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.

By order of the Board

Peter Leathem

P LEATHEM OBE
DIRECTOR
25 March 2025

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2024

The directors submit their Report of the Directors and the audited financial statements of PPL to the members for the year ended 31 December 2024.

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 (2023: £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. Cash flow 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

It is a core objective of the company to be an employer of choice and invest appropriately in people. That means supporting individuals and teams to reach their potential through invigorating work, a focus on development and providing opportunities to socialise and learn from others. Employees are passionate about the role they play and actively embrace inclusive and creative ways of working to deliver for our members, always with the highest levels of integrity. The company 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.

It is the company's responsibility to ensure that 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. At PPL, we believe in fairness and in creating a work environment that respects all lived experiences. Any matters of concern can be discussed on a confidential basis with a member of the Management Team or HR Team.

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.

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 approval of the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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

STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)

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 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 2024:

	2024	**2023**
PRS Foundation	£600,000	£600,000
British Association for Performing Arts Medicine	£100,000	£75,000
Music Minds Matter	£50,000	£100,000
Music Managers Forum	£40,000	-
The BRIT School	£40,000	£40,000
Ivors Academy Trust	£32,500	-
Curve Theatre	£30,000	£30,000
Youth Music	£30,000	-
Hospital Broadcasting Association	£27,500	-
ELAM (East London Arts & Music)	£25,000	£25,000
World Heart Beat Music Academy	£23,800	-
Iluvlive	£21,000	-
Donmar Productions	£18,000	-
The Cancer Awareness Trust	£18,000	-
Attitude is Everything	£15,268	-
B:Music	£15,000	-
Moving on Music	£15,000	-
Saffron Records	£15,000	-
South Asian Arts UK	£15,000	-
The Young Musicians Symphony Orchestra	£15,000	£5,000
Wide Events CIC	£15,000	-
Music Leeds	£14,732	-
Generator North East	£12,500	-
Heart N Sole	£12,000	-
Baby People	£11,800	-
Last Night A DJ Saved My Life	£10,000	-
Music for Youth	£10,000	-
NQ Legacy	£10,000	-
Tonic Music	£10,000	-
United Development	£10,000	-
Jazz re:freshed	-	£10,000
Lady of the House	-	£10,000
Music Venues Trust	-	£10,000
Tomorrow’s Warriors	-	£10,000
Other donations under £10,000	£49,522	£9,000

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2024

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 UK GHG emissions from fuel combustion, purchased energy and transport vehicles, alongside an intensity ratio and an outline of implemented efficiency measures.

2024 Performance

Within 2024, PPL saw a reduction in overall emissions, total energy consumption, and the subsequent intensity ratios. Overall emissions decreased by 3.4%, predominantly due to the 71.0% reduction in expensed business travel, which has now decreased back to 2022 levels. Our electricity consumption also decreased by 1.3%, due to a suite of energy reduction measures we have implemented, including consolidating our office space and installing presence detection. Since 2022, we have seen our emissions reduce continually each year, reinforcing our commitment to our Net Zero goals.

To ensure a high level of transparency is achieved, robust and recognised reporting methods are implemented. The reporting methodology involves usage of the 2024 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 2024 to the 31st December 2024 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 2024 emissions 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 are GHG emissions (tCO_2e) per unit floor area (square foot), tCO_2e per full-time equivalent (FTE) employee, and tCO_2e per unit turnover (£ million). These have been chosen as appropriate activity metrics considering the nature of our operations.

Energy Efficiency Measures

During 2024, we implemented the following measures:

- We realigned air conditioning units to prevent re-ingestion of exhaust air.
- We installed presence detection on back of house lighting.
- We locked air conditioning controls to limit temperature between 20-22°C.

STREAMLINED ENERGY AND CARBON REPORT (SECR) (continued)

• We converted domestic hot water outlets to local electric heaters.

• We reduced duration on PIR sensors in meeting rooms.

• We reconfigured temperature setpoints in comms room.

• We reconfigured TV standby settings on 5th floor.

Results

Reporting Period		1st January 2023 - 31st December 2023	1st January 2024 - 31st December 2024
Area	**Metric**	**UK & Offshore**	**UK & Offshore**
Emissions from combustion of natural gas at site (Scope 1)	Energy (kWh)	8,971.17	9,405.00
	Emissions (tCO2e)	1.64	1.72
Emissions from purchased electricity (Scope 2) location-based	Energy (kWh)	359,485.35	354,993.01
	Emissions (tCO2e)	74.44	73.50
Emissions from expensed business travel in employee and hire vehicles (Scope 3)	Energy (kWh)	10,685.84	3,243.39
	Emissions (tCO2e)	2.59	0.75
Intensity Ratio	(tCO2e / £m Turnover)	**0.28**	**0.25**
Intensity Ratio	(tCO2e / ft2)	**0.004**	**0.004**
Intensity Ratio	(tCO2e / FTE Employee)	**0.37**	**0.33**
Total Energy Consumption	(kWh)	**379,142.36**	**367,641.41**
Total Emissions	(tCO2e)	**78.67**	**75.97**

Emissions from purchased electricity (Scope 2) market-based	Energy (kWh)	359,485.35	354,993.01
	Emissions (tCO2e)	0.00	0.00
Net Emissions	(tCO2e)	**4.23**	**2.47**

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2024

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
R Bolt (appointed 21 November 2024)
S Clayton
J Davidson
J Ellington
J French
R Gruschke
N Hartley
H Joseph (resigned 21 November 2024)
P Lale
D Lee
P Leathem OBE
S Mitchell
C Saxe
C Smith
J Smith
M Smith
H Trubridge

By order of the Board

P LEATHEM OBE
DIRECTOR
25 March 2025

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 2024 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 2024; the Statement of Comprehensive Income, the Statement of Changes in Equity and the Cash Flow 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 2024 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 and the Collective Management of Copyright (EU Directive) Regulations 2016, 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 and unusual description); 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.

Louise Lazarus (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
25 March 2025

PHONOGRAPHIC PERFORMANCE LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £000	2023 £000
LICENCE FEE INCOME	2	301,027	283,546
Cost of collection and distribution		(39,881)	(36,745)
NET INCOME BEFORE INTEREST AND TAXATION	3	261,146	246,801
Interest receivable and similar income	5	5,695	4,503
Interest payable and similar expense	6	(786)	(493)
NET INCOME BEFORE TAXATION		266,055	250,811
Tax on profit	8	-	-
AMOUNT AVAILABLE FOR DISTRIBUTION		266,055	250,811
Anti-piracy protection and industry contributions	4	(4,140)	(3,622)
Amount to be distributed		(261,915)	(247,189)
RETAINED RESERVES		-	-
TOTAL COMPREHENSIVE RESULT FOR THE YEAR		-	-
Cost to income ratio		13.2%	13.0%

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

PHONOGRAPHIC PERFORMANCE LIMITED

COMPANY NUMBER: 00288046

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	2024 £000	2023 £000
FIXED ASSETS			
Intangible assets	9	6,421	4,031
Tangible assets	10	1,335	1,735
Investments	11	2,163	2,868
		9,919	8,634
CURRENT ASSETS			
Licence fees receivable	12	16,751	19,375
Other debtors	13	3,068	3,275
Prepayments and accrued income		28,813	17,275
Short term fixed deposits (Greater than 3 months)		55,000	75,000
Cash at bank and in hand		49,479	30,290
		153,111	145,215
CREDITORS: amounts falling due within one year	14	(165,781)	(156,770)
NET CURRENT (LIABILITIES)		(12,670)	(11,555)
TOTAL ASSETS LESS CURRENT LIABILITIES		(2,751)	(2,921)
PROVISIONS FOR LIABILITIES	15	(1,057)	(887)
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 15 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 25 March 2025 and are signed on its behalf by:

P Leathem OBE
Director

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

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

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £000	2023 £000
CASHFLOWS FROM OPERATING ACTIVITIES			
Net cash flow from operating activities	18	263,586	242,323
Anti-piracy protection and industry contributions paid		(4,135)	(3,622)
Amounts distributed		(261,990)	(252,697)
Interest paid		(786)	(493)
Net cash (used in) operating activities		(3,325)	(14,489)
CASHFLOWS FROM INVESTING ACTIVITIES			
Purchase of intangible fixed assets		(4,096)	(1,348)
Purchase of tangible fixed assets		(190)	(1,322)
Interest received		6,096	3,040
Repayments from joint venture loan facility		704	1,307
Proceeds from short term fixed deposits		75,000	60,000
Purchases of short term fixed deposits		(55,000)	(55,000)
Net cash generated from investing activities		22,514	6,677
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		19,189	(7,812)
Cash and cash equivalents at the beginning of the year		30,290	38,102
Cash and cash equivalents at the end of the year		49,479	30,290
Cash and cash equivalents comprises:			
Cash at bank and in hand		49,479	30,290
Total cash and cash equivalents		49,479	30,290

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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.

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.

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.

1. ACCOUNTING POLICIES (continued)

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 and online 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 2024 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 2024.

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 of £4,119,482 (2023: £8,582,074) 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’. When evaluating 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.

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 Limited is experiencing. See notes 2 and 20 for the disclosures relating to public performance revenue.

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 17 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

	2024 £000	2023 £000
Analysis of turnover by licence type:		
Public performance and dubbing income	121,361	111,719
Broadcasting and online income	98,650	96,428
International income	81,016	75,399
	301,027	283,546
Analysis of turnover by territory of origin:		
United Kingdom	217,567	206,739
Rest of Europe	61,105	55,780
Rest of World	22,355	21,027
	301,027	283,546

3. NET INCOME BEFORE INTEREST AND TAXATION

	2024 £000	2023 £000
Net income before interest and taxation is stated after charging:		
Services provided by the company's auditors:		
Fees payable for the audit	130	101
Fees payable for other services:		
Audit-related services	16	15
Depreciation of tangible fixed assets	590	473
Amortisation of intangible assets	1,706	1,669
Operating lease rentals	936	948
Foreign exchange gain/(loss)	24	38

Net income includes a recharge of £717,277 (2023: £683,517) 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 2024 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. The members approved this limited liability agreement, as required by the Companies Act 2006, by resolution dated 12th June 2024.

4. ANTI-PIRACY PROTECTION AND INDUSTRY CONTRIBUTIONS

	2024 £000	2023 £000
Amounts contributed to:		
BPI (British Recorded Music Industry) Limited	2,388	1,881
The International Federation of the Phonographic Industry	958	920
Impala	80	77
Association of Independent Music Limited	70	56
UK Music	624	688
Other	20	-
	4,140	3,622

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2024 £000	2023 £000
Interest receivable on cash at bank and short term deposits	5,695	4,503

6. INTEREST PAYABLE AND SIMILAR COSTS

	2024 £000	2023 £000
Interest payable on member balances	786	493

7. STAFF COSTS

	2024 £000	2023 £000
Gross staff costs:		
Wages and salaries	17,428	15,864
Social security costs	1,712	1,540
Other pension costs	1,092	1,144
	20,232	18,548

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:

	2024 Number	2023 Number
Office and management	229	222

Directors' emoluments:

	2024 £000	2023 £000
Aggregate emoluments	1,245	1,078

Post-employment benefits are accruing for one director (2023: one) under a defined benefit scheme. One director (2023: one) is currently a member of the defined contribution scheme.

Emoluments in respect of the highest paid director amounted

	2024 £000	2023 £000
Aggregate emoluments	1,050	892
Defined benefit pension scheme - accrued pension at end of year	38	35

During the year the company had two executive directors who were employed and paid by PPL (2023: two). Of those two executive directors, remuneration paid to the Chief Executive Officer amounted to £1,049,641 (2023: £891,775) and remuneration paid to the Chairman amounted to £85,257 (2022: £82,774). The remuneration of non-executive directors (by way of meeting attendance fees) is included in the aggregate directors' emoluments figure and amounted to £109,635 for the year (2023: £103,737).

8. TAX ON PROFIT

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

	2024 £000	2023 £000
Current tax:		
UK corporation tax	-	-
Total tax	-	-

The tax assessed for the year is lower (2023: lower) to the standard rate of corporation tax in the UK of 25% (2023: 24%)

	2024 £000	2023 £000
Factors affecting tax charge for the year		
Net income before taxation	266,055	250,811
Net income before taxation at the UK tax rate 25% (2023: 24%)	66,514	58,790
Effects of:		
Permanent difference	(66,641)	(58,975)
Accelerated capital allowances and other timing differences	127	185
Total tax charge	-	-

The company has an unrecognised deferred tax liability as follows:

	2024 £000	2023 £000
Capital allowances less than depreciation	390	429
Other timing differences	105	26
Deferred tax on pension scheme	(740)	(616)
Net deferred tax asset / (liability) – unrecognised	(245)	(161)

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 2024	28,941
Additions	4,096
Disposals	-
At 31 December 2024	33,037
Accumulated amortisation	
At 1 January 2024	24,910
Charge for the year	1,706
Disposals	-
At 31 December 2024	26,616
Net book amount	
At 31 December 2024	6,421
At 31 December 2023	4,031

Intangible assets represent long-term investments made to build or create system applications used by the organisation. The carrying amount includes assets under development of £2,723,228 (2023: £467,894) which will be amortised once they are brought into use. During the year, £2,255,334 of additions were classified as assets under development.

10. TANGIBLE ASSETS

	Fixtures, fittings, office equipment	Computer hardware	Total
	£000	£000	£000
Cost			
At 1 January 2024	1,917	572	2,489
Additions	96	94	190
Disposals	(15)	(29)	(44)
At 31 December 2024	1,998	637	2,635
Accumulated depreciation			
At 1 January 2024	499	255	754
Charge for the year	392	198	590
Disposals	(15)	(29)	(44)
At 31 December 2024	876	424	1,300
Net book amount			
At 31 December 2024	1,122	213	1,335
At 31 December 2023	1,418	317	1,735

11. INVESTMENTS

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

	2024	2023
	£000	£000
Investment in joint venture	50	50
Loan receivable from joint venture	2,113	2,818
	2,163	2,868

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. Amounts relating to loan receivable from joint venture due after more than one year have been reclassified in comparatives. See note 13 for disclosures related to the current amount receivable of £704,417 (2023:£704,417).

12. LICENCE FEES RECEIVABLES

	2024 £000	2023 £000
Trade receivables	7,311	11,411
Amounts owed by joint venture	9,440	7,661
Other receivables	-	303
	16,751	19,375

Trade receivables are stated after provisions for doubtful debts of £331,000 (2023: £359,000).

13. OTHER DEBTORS

	2024 £000	2023 £000
Loan receivable from joint venture	704	704
Other debtors	2,364	2,571
	3,068	3,275

Loan receivable from joint venture of £704,417 (2023: £704,417) is due from PPL PRS Limited. Amounts due after more than one year of £2,113,250 (2023: £2,817,668) have been reclassified as non-current please see note 11. 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

	2024 £000	2023 £000
Trade creditors	1,524	480
Amounts owed to members	105,318	105,393
Taxation and other social security	6,691	7,384
Other creditors	2,569	1,531
Accruals and deferred income	49,679	41,982
	165,781	156,770

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

	2024 £000	2023 £000
Provision for dilapidations		
At beginning of the year	737	719
Charge for the year	-	18
At the end of the year	737	737
Provision for legal costs		
At beginning of the year	150	246
Released in the year	(150)	(246)
Charge for the year	320	150
At the end of the year	320	150
Total provision	1,057	887

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:

	2024	2023
	£000	£000
Office rent:		
Not later than one year	919	1,225
Later than one year and not later than five years	4,988	4,606
Later than five years	976	2,277
	6,883	8,108

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 2024 and updated to 31 December 2024 by a qualified independent actuary.

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

	2024	2023
Rate of increase in salaries	2.10%	2.00%
Rate of increase of pensions in payment	2.40%	2.40%
Rate of increase of pensions in deferment:		
Pre 2009	2.80%	2.70%
Post 2009	2.50%	2.50%
Discount rate	5.50%	4.50%
Inflation assumption (RPI)	3.10%	3.00%
Inflation assumption (CPI)	2.80%	2.70%

17. PENSION COSTS (Continued)

The mortality assumptions used for the 31 December 2024 actuarial valuation were as follows:

Pre-retirement mortality (non-pensioners):	100% S4PMA_ALL [1.25%] (yob) 100% S4PFA_ALL [1.25%] (yob) CMI_2023_M/F [1.25%] (yob)
Post-retirement mortality (pensioners):	100% S4PMA_ALL [1.25%] (yob) 100% S4PFA_ALL [1.25%] (yob) CMI_2023_M/F [1.25%] (yob)

The life expectancy assumption used for the 31 December 2024 actuarial valuations were as follows:

	Males	**Females**
For an individual aged 65 in 2024	21.2	23.7
At age 65 for an individual aged 45 in 2024	22.5	25.2

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

	2024		**2023**	
	£000	**(%)**	**£000**	**(%)**
Equities	4,143	19%	-	0%
Diversified growth assets	5,019	22%	4,724	19%
Corporate bonds	-	0%	4,491	18%
DCFs	7,623	34%	7,017	29%
LDI	5,417	24%	8,141	33%
Cash	181	1%	115	0%
Total market value of assets	22,383		24,488	
Actuarial value of liability	(19,425)		(22,301)	
Surplus in the scheme	2,958		2,187	
Restriction on surplus	(2,958)		(2,187)	
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 (2023: £nil)

The return on the assets was:

	2024 £000	2023 £000
Interest income	1,089	1,083
Return on assets less interest income	(2,605)	724
Total return on assets	(1,516)	1,807

Reconciliation of scheme assets and liabilities:

	Assets £000	Liabilities £000	Total £000
At 1 January 2024	24,488	(22,301)	2,187
Benefits paid	(589)	589	-
Interest income /(expense)	1,089	(990)	99
Actuarial gains	-	3,277	3,277
Return on assets excluding interest income	(2,605)	-	(2,605)
Restriction on Surplus	(2,958)	-	(2,958)
At 31 December 2024	**19,425**	**(19,425)**	**-**

The Company is aware of the 2023 ruling in the Virgin Media vs NTL Pension Trustee case and subsequent court of appeal ruling published in July 2024. These ruled that certain amendments made to the NTL Pension Plan were invalid because they were not accompanied by the correct actuarial confirmation. The Trustees of the Scheme have engaged with the Scheme's legal advisor to obtain an initial review of the Rules to see what changes fell within the period of interest and whether some form of certification was provided. This review is currently underway and so the outcome is not yet known. As a result, the Company cannot be certain of the potential implications (if any) and therefore a sufficiently reliable estimate of any effect on the obligation cannot be made. The Company will continue to monitor the impact of any future developments.

b. Defined Contribution Scheme

The company also operates a defined contribution scheme.

	2024 £000	2023 £000
Amounts outstanding at year end	142	124

18. NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £000	2023 £000
Net income before taxation	266,055	250,811
Net interest receivable	(4,909)	(4,009)
Amortisation of intangible assets	1,706	1,669
Depreciation of tangible fixed assets	590	473
(Increase) in debtors	(9,109)	(9,568)
Increase in creditors	9,083	3,025
Increase/(Decrease) in provisions	170	(78)
Cashflows generated from operations	263,586	242,323

19. TRANSACTIONS WITH DIRECTORS

There were no other transactions with directors during the year (2023: £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. 2024 resulted in a total £717,277 (2023: £683,517) 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:	2024 £000	2023 £000
Costs recharged from the joint venture	(9,185)	(8,987)
Amounts owed / (due) in relation to the joint venture:		
Amounts owed by the joint venture	18,345	15,583
Amounts due to the joint venture	-	(104)

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:

	2024 £000	2023 £000
Loan due from joint venture	2,818	3,522

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

22. RETAINED RESERVES - INCOME, EXPENDITURE AND DISTRIBUTION ACCOUNT

	2024 £000	2023 £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)