

2015



2016

Annual Performer Review  
A YEAR OF COLLABORATION AND GROWTH





PPL remains committed to maximising the royalties due to you when your performances on recorded music are played in public or broadcast on TV and radio in the UK and internationally.

This review focuses on our key achievements in 2015, and outlines how we have been seeking to build on those achievements in the current year.

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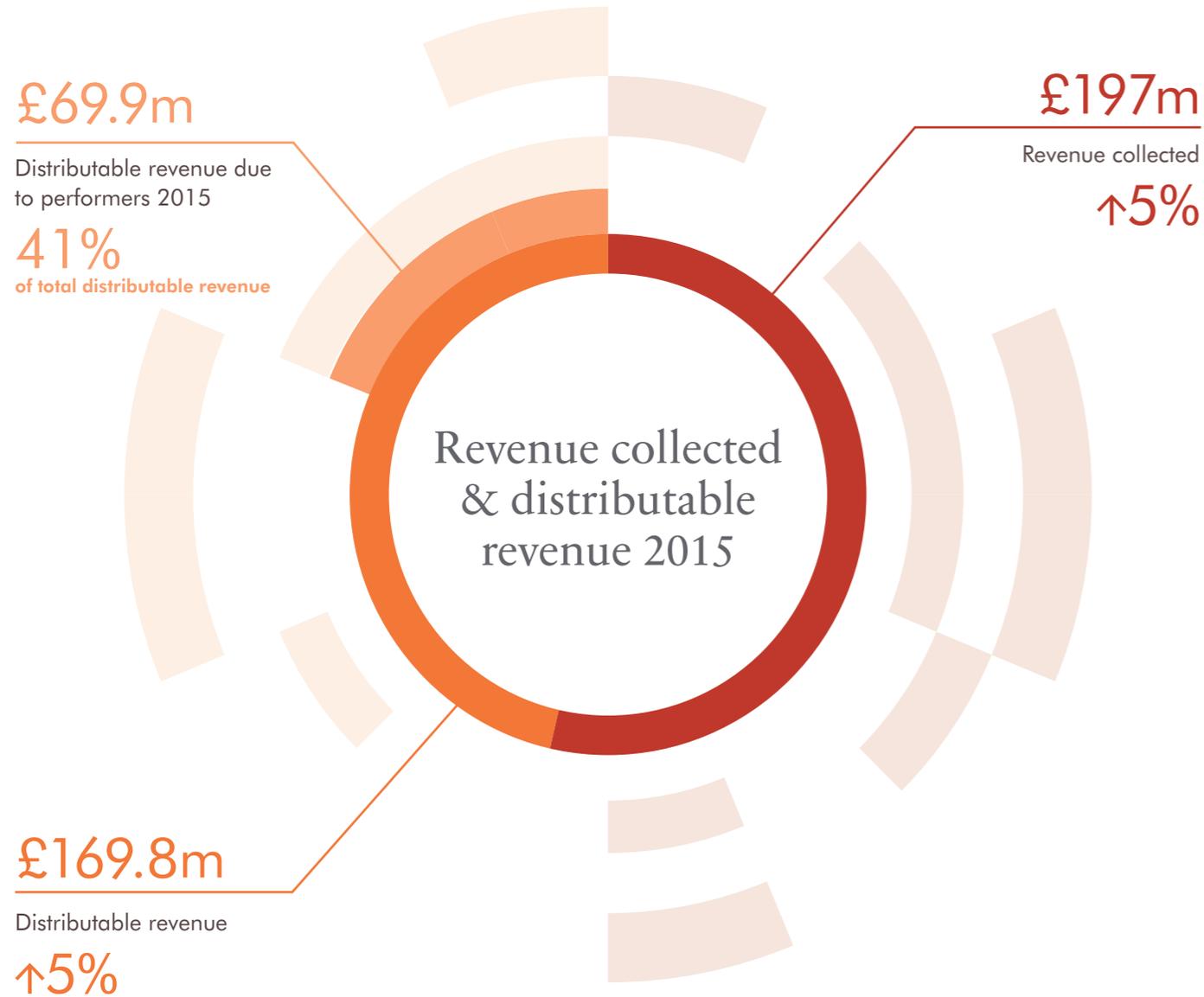


# Annual Performer Review

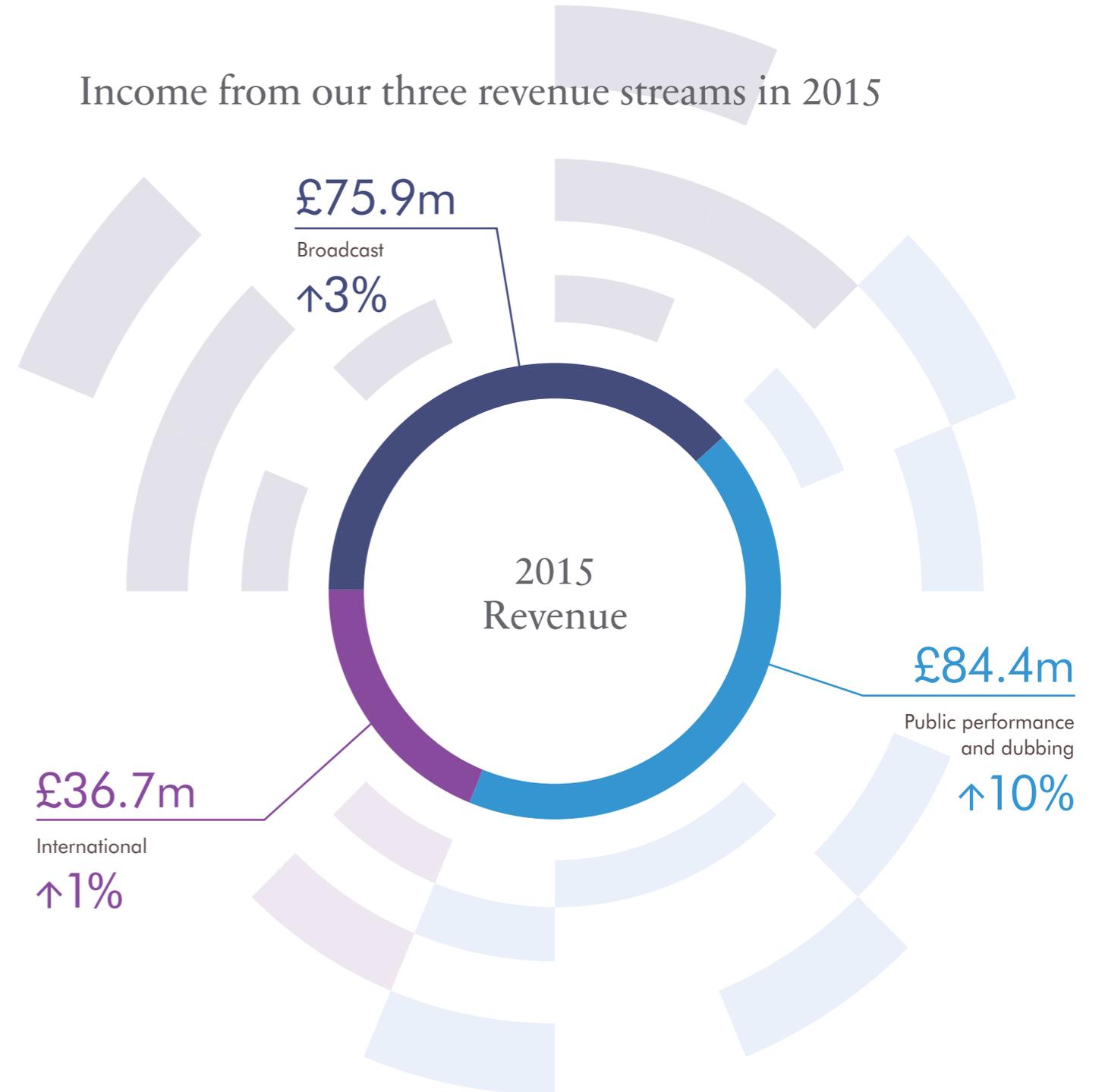
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## 2015/2016

## Our key achievements



## Income from our three revenue streams in 2015



# Performer Board Chairman's Statement

*“2015 saw record levels of collections and distributions. A total of £197 million was collected whilst distributable revenue grew over 5% to £169.8 million.”*



## Dear Performer Members,

I am delighted to present to you my Chairman's Statement as part of the Annual Performer Review.

Once again, this Review outlines what has been another exciting and progressive year for the company. As we look back over the achievements of 2015, it is also appropriate to observe that 2016 sees the tenth anniversary of the merger of the performer organisations PAMRA and AURA into PPL in 2006. Since then it has been my privilege to have been a Director of PPL and Chairman of the Performer Board for the past ten years, and to have been part of the tremendous growth in financial returns and performer rights.

That landmark merger seems a long time ago as the journey we have been on has been momentous and seen many changes – both within the industry and PPL as well as in the world of neighbouring rights collective management organisations (CMOs).

We should take nothing for granted as PPL continues to go from strength to strength in its quest for a top quality, modern and efficient service to the membership. Many of the new and updated policies, IT investments and restructuring are now in place and the benefits are beginning to flow through.

2015 saw record levels of collections and distributions. A total of £197 million was collected whilst distributable revenue grew over 5% to £169.8 million, of which £69.9 million was for performers.

To give you a measure of the sheer growth and progress we have made: ten years ago these numbers were £97.9 million (collections) and £84.4 million (total distributable revenue). Last year over 65,000 performers received at least one payment from PPL and we became the first ever European CMO to pay out supplementary remuneration under the EU Directive extending copyright in sound recordings.

For all of us whose involvement in these matters goes back ten years and more, you will appreciate the importance and significance of these achievements. This year a further step has been taken, making it mandatory for recording rightsholders to provide a core level of performer line-up information for UK-commissioned 2016 releases.

You will read elsewhere in this Review about the PPL and PRS for Music joint venture regarding the two companies' public performance operations and, again, this is indicative of how far we have progressed as an organisation to streamline our processes to improve revenues.

PPL continues to lead in the international marketplace and the agreements we now have are producing large returns with increasing line-up accuracy. However, there is still much to do as most CMOs are not as well equipped or sophisticated as PPL to forward accurate data and, in some cases, any performer line-ups. The experience of our staff over the years has been sterling and their knowledge and instincts have been able to untangle much of the raw overseas data that we receive. I wish to thank Laurence Oxenbury, Christine Geissmar, Amanda Carmichael and their teams for their excellent work. We will all closely watch the developments post Brexit and our aim, as always, will be to protect all rights of all the membership. Thanks to John Smith whose first year of Chairmanship this is and who brings experience, integrity and deep knowledge of the industry to PPL.

I see an exciting future for the company as we continue to adapt and respond to the challenges that we, as performers, jointly face with PPL.

**Gerald Newson**, Chairman

# Chief Executive Officer's Statement

*"In 2015 we collected more revenue than ever before. We also paid out more money, faster, to more members than ever before."*



## Dear Performer Members,

I am delighted to be celebrating ten years of PPL representing performers' rights since the merger of PAMRA and AURA with PPL and am happy to report another very strong performance by PPL in 2015. We grew each of our three key revenue streams of broadcast, public performance and international, and we made really good progress on a whole range of our operations.

In 2015 we collected more revenue than ever before. We also paid out more money, faster, to more members than ever before, and provided ever more detailed statements in support of those payments.

In addition to revenue growth, we remain committed to the further development of our services. The progress that we are making on customer service for both our members and licensees can be seen in the feedback we receive from them and also from independent sources. I am very proud of PPL qualifying for the finals of both the UK Customer Satisfaction Awards and UK Customer Experience Awards.

We have further developed our working relationships with other CMOs. In the UK, our relationship with *PRS for Music* continues to strengthen. In early 2016, we announced, and have since been working on, a joint venture to conduct public performance licensing for both PPL and *PRS for Music* meaning that our licensees will shortly only have one organisation to deal with to secure the appropriate music licences for their business. This is a very significant development and we are now involved in all of the hard work that is needed to build the joint venture and for us to be able to commence joint operations in the second half of 2017.

On the international front we have been working closely with dozens of overseas CMOs to develop the way in which data and money are exchanged between CMOs. While PPL has already become the market leader for international collections for record companies and performers, PPL's members should benefit significantly from more efficiency and accuracy across the global community of CMOs. This is such a key priority for us.

I would like to thank the Performer Board and the main PPL Board and our various committees for their continued insight, support and governance.

Finally, I would like to thank the PPL staff for all of their tireless help, dedication and support in delivering against an ambitious agenda and for enabling us to present such a good set of results for 2015.

**Peter Leatham, CEO**

# We are here to serve you

## The legal framework

The law (Copyright, Designs and Patents Act 1988) gives performers the right to receive a fair payment (known as equitable remuneration) when recordings of their performances are played in public or broadcast on TV and radio. Performers' rights in their recorded performances are also protected, to varying degrees, under the copyright laws of other countries around the world.

## Our distribution process

We process vast quantities of information, including billions of seconds of airplay data, to build up a picture of the music used by our licensees. We then match this to our ever-increasing repertoire database, which contains data on millions of sound recordings and performances. Investing in data and technology in this way enables us to distribute revenues fairly and efficiently to our performer and record company members, and provide you with increasing levels of detail about your PPL payments.

## Our revenue streams

PPL has three main revenue streams: public performance and dubbing, broadcast and international. In the UK, we license hundreds of thousands of businesses playing recorded music in public, together with hundreds of TV and radio broadcasters. Internationally, we currently have 82 agreements with other CMOs to ensure we can collect monies on your behalf when your music is played around the world, if you choose to use our international collections service.

## What you can do as a performer to benefit from PPL's work

Once you have registered as a PPL member, there are a few simple things we need from you to make sure you are earning the most you can from your recordings:

- Register with PPL to get access to PPL's secure online account management portal, myPPL, and the services that PPL provides.
- Check PPL's repertoire database to make sure you are linked to all of the recordings you have performed on.
- Make claims on tracks you have performed on and are not currently linked to, but should be.
- Sign up for our international collections service so we can collect royalties on your behalf when your recordings are played internationally.
- Keep all of your details, such as your bank account and contact information, up to date so we know how best to contact you and how to pay you.

## Broadcast

£75.9m

Overall broadcast revenue

↑3%

Commercial radio revenue

↑4%

Commercial television revenue

↑3%

We work with hundreds of TV and radio broadcasters to ensure they are licensed appropriately for playing our members' repertoire. Alongside the BBC and commercial broadcasters, PPL continues to license a wide range of other services, including community radio, student radio, hospital and prison radio, as well as online radio services.

Our overall broadcast revenues grew to £75.9 million in 2015, an increase of 3% on 2014.

### Radio

Commercial radio continued to grow in 2015, with a recovering advertising market contributing to an increase of 4% in licence fees paid to PPL year on year. A new method of local radio broadcasting, small scale DAB, was launched by Ofcom and licensed by PPL in 2015 generating nearly 50 new licences and providing a new path for tomorrow's radio talent to follow.

PPL also extended its 'self-service' online licensing facility. PPL now offers seven radio licences for immediate purchase online, making the process of acquiring a licence simpler and quicker.

### Television

Commercial television revenue grew by 3% in 2015. New multi-year licences with ITV and with BBC Worldwide were agreed alongside licences from a host of smaller broadcasters. Turner Broadcasting entered into a new multi-year deal for the transmission of their channels from the UK to Europe and beyond.

Whilst traditional UK television audiences have plateaued in recent years, PPL has continued to secure growth through developing and adapting licences to cover catch-up TV and other digital services.

## Public performance and dubbing

We license over 365,000 business premises across the UK to play recorded music, including bars, pubs, clubs, restaurants, shops, offices, gyms and many other business types.

Our public performance income grew 10% in 2015 to £84.4 million. Of this, £76.3m was public performance revenue and £8.1m was dubbing revenue, where PPL licenses the commercial copying (dubbing) of recorded music by specialist companies that supply music systems to businesses for the playing of recorded music.

### Working with PRS for Music

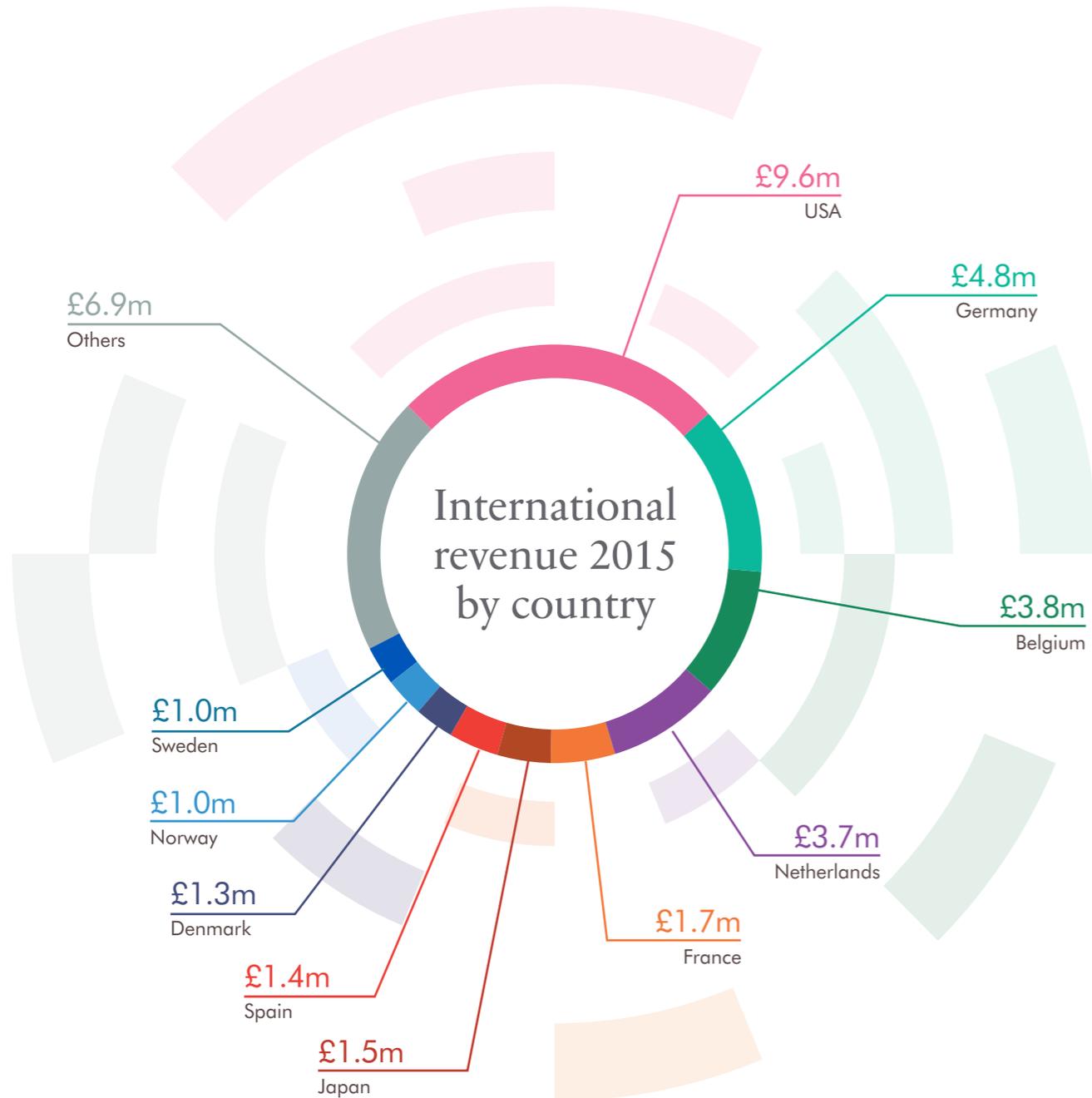
Our partnership with *PRS for Music* continues to grow. Our long-term data sharing agreement continued throughout 2015 and 2016 and we ran refreshed campaigns during the year, contributing to 2015's successful performance in terms of revenue.

In early 2016 we announced the intention to create a joint venture with *PRS for Music* to conduct public performance licensing for both PPL and *PRS for Music* which will launch in the second half of 2017. This means our licensees will shortly only have one organisation to deal with to secure the appropriate music licence for their business.

£84.4m

Public performance and dubbing revenue

↑10%



## International

Revenue reached £36.7 million in 2015, an increase of 1% from 2014. This represents 5% growth on a currency neutral basis.

### International agreements

PPL currently has 82 agreements with CMOs across 38 countries. We collect over a third of all performer neighbouring rights payments moving between CMOs throughout the world.

PPL continues to grow its database. This year we have received repertoire data from a number of CMOs around the world, including Canada and Croatia. Major repertoire owners are increasingly supplying data for all globally-released recordings to PPL. As we expand our services into other countries we expect to see more local repertoire being registered with our repertoire database.

Many PPL performer members record all over the world and so this latest development ensures that we capture the fullest picture of their repertoire possible. It also means that those who have recorded with artists in other countries now have the opportunity to claim for as many of their performances as possible.

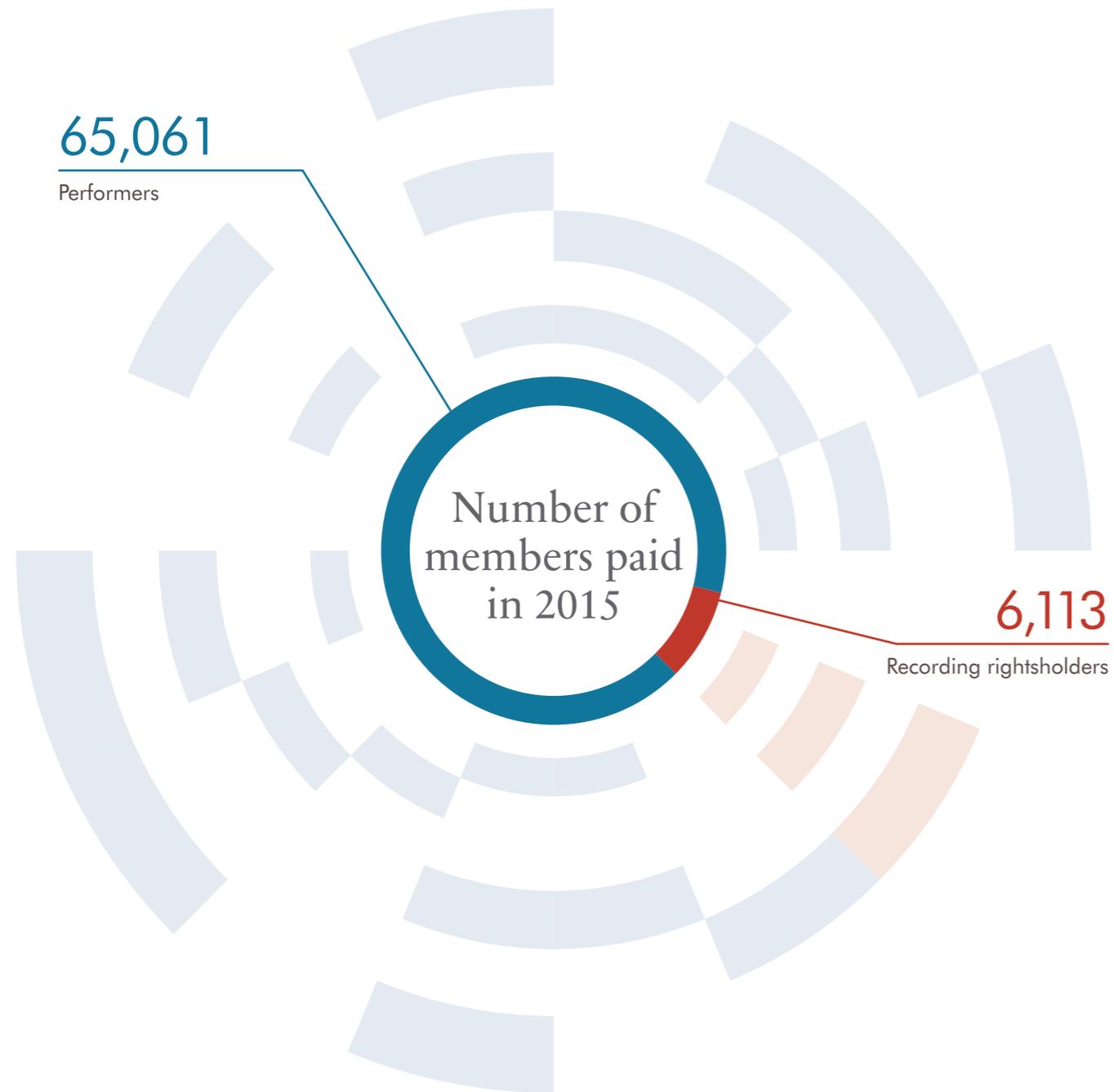
### Working with CMOs

PPL works closely with CMOs across the world to maximise payment to our members. Initiatives include improving data management and, where necessary, challenging any operational processes or distribution methodologies.

Longer term projects, in collaboration with other CMOs, include projects to further improve data exchange processes and the further development of the International Performer Database, which is operated by SCAPR, the international umbrella organisation for performer CMOs. Another project is VRDB2, which aims to deliver a more effective solution for the international exchange of performer data and payments.

For several years now, PPL has been granted Qualified Intermediary (QI) status by the US Internal Revenue Service (IRS), allowing for the collection of up to 30% more in US royalties on behalf of PPL members who complete the relevant tax forms.

*“Revenue reached £36.7 million in 2015, an increase of 1% from 2014. This represents 5% growth on a currency neutral basis.”*



## Membership

We serve all performers in the recorded music industry: large and small. But we understand the different and unique needs of both established and emerging artists. This means we can maximise your returns whatever your repertoire and experience.

### Member outreach

We welcome opportunities to meet and interact with our members. Our team actively engages in outreach events to increase awareness of PPL, help new members join PPL and reach out to our existing members nationwide. In total, we attended more than 50 events in the last year, from The Great Escape and MIDEM to SXSW and IAMA International Conference, taking part in panels, delivering member workshops, giving keynote speeches and partnering with third parties on educational activities.

We continue to welcome members to our office for our monthly *PPL in Session* events. Members can also attend these sessions online via WebEx. At *PPL in Session*, members receive guidance on a range of topics, such as registering repertoire correctly, learning about our international collection service and using myPPL to keep their PPL accounts up to date.

### Improvements to myPPL

In 2015, we delivered some important improvements to myPPL, the secure online self-service portal used by our members to manage their PPL accounts. The changes were driven by feedback from members via a monthly member survey, direct contact and also through the experience and expertise of PPL's staff. The result is better functionality, accessibility and usability of myPPL for both members and staff.

### Member payments

In 2015 we distributed more money, to more members, than ever before. During the year, PPL was able to pay a total of 65,061 performers.

*“In 2015, we delivered some important improvements to myPPL, the secure online self-service portal used by our members to manage their PPL accounts.”*

## Our members tell us about the importance of their PPL revenues

*“I love everyone at PPL and appreciate all their hard work in looking after my interests and always being helpful and informative! Thank You!”*

Steven Sidllyk  
Performer Member (Madonna, Ed Sheeran, Kylie Minogue)

*“The team member I spoke to was wonderful, personable, knowledgeable and couldn’t have been more helpful. 5 stars.”*

Talia Cohen  
Singer and songwriter

*“I often tell people about Apple and how good their help line is. You are in the same league! Please keep up the good work.”*

Mike Redway  
Vocalist (The Beatles, Tom Jones)

*“It’s great to know that someone has our back. I would have no way of knowing whether or not my music was being played or if I was owed any compensation. Thank you all for your efforts.”*

Michael Scavone  
Singer (Ram Jam)

# Thank you

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We would like to say a big thank you to all our performer members for their support, providing us with good data, and responding to all of our requests.

We are always happy to answer your queries. If you'd like to get in touch, please contact our Member Services team:

**memberservices@ppluk.com**

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