



PPL licenses recorded music when it is played in public or broadcast on the radio and TV, as well as certain uses on the internet, and then distributes the revenues collected to its members. Established in 1934, PPL exists to ensure that those people who invest their time, talent and money to make music are fairly paid for their work.

Our mission is to manage the sound recording rights entrusted to us by our members, maximise their earnings from the broadcast and public use of those recordings both in the UK and globally, and distribute them in the most efficient manner possible.

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ANNUAL
REVIEW
2014

*“What is worth having is
worth working for”*

Philip Pullman
CBE

2014 IN NUMBERS

7 million+
Sound recordings

61,310
Performers and recording rightsholders paid

350,000+
Licensed Public Performance sites

2,000+
Licensed Broadcast and Online channels

62
Public Performance tariffs

75
International agreements

£187.1m
Revenue collected

£161.2m
Distributable revenue





CHAIRMAN'S STATEMENT

In this 15th year of my term at PPL/VPL I feel exceptionally proud and privileged to witness the success of the organisation demonstrated by yet another set of excellent results for 2014. My sincere congratulations and compliments to all my colleagues on a job very well done!

PPL's journey over the last 15 years has been marked by continuous growth and success which not many companies can emulate. Having transformed the organisation into a quality and effective entity we have trebled the income during this period and brought the cost-to-income ratio down to relatively low levels in spite of substantial investment in modern systems and business processes.

We have also succeeded in reshaping PPL into a joint home for both record companies and performers, giving the whole performer community a powerful voice and representation for the benefit of all. The general appreciation of how important PPL income has become is reflected in the enormous growth of PPL's membership which now comprises many tens of thousands of performer and record company members whose repertoire is registered with PPL. There is very little doubt that the various PPL income streams will become even more important in the years to come.

Our effectiveness in strengthening copyright legislation and maximising the value of our constituents' rights is well documented. The enormous and fast growth in our international income collections is another real success story. And – there is much, much more.

Most importantly, all this has been made possible through the hard work, focus and dedication of our own staff AND the enormous degree of loyal support and encouragement from supporters everywhere. My huge thanks to the main PPL Board and its various Committees, the Performer Board but also the key representatives of AIM, BPI, IFPI, Equity, Musicians' Union, MPG, MMF, FAC and UK Music. Sincere thanks also to our friends and supporters in Westminster and Whitehall.

But – the most special and warmest thanks must go to each and every member of PPL's staff for the tremendous achievements over the last 15 years. Well done!

Talking of achievements I am also exceptionally pleased and proud of the remarkably smooth, effective and successful succession plan which my colleague Peter Leatham and I put in place in recent years. Peter, who became our CEO in January 2012, is doing a tremendous job which fills me with confidence that PPL (and VPL) truly is in excellent hands. So, well done Peter!

I wish my colleagues much continued success and job satisfaction in the future in the knowledge that PPL is a proud and respected organisation, with a positive and happy atmosphere, performing a crucial role in the wider creative environment. Long may this continue. Best of luck and – onwards and upwards!

Fran Nevrkla OBE
Chairman

PPL is a proud and respected organisation, performing a crucial role in the wider creative environment.



CEO'S STATEMENT

I am delighted to report a very strong performance by PPL in 2014. We grew each of our three key revenue sources of Broadcast and Online, Public Performance and International, and we set out more details of our performance in these areas in this Annual Review.

As a company with ambitious plans as to what we want to achieve for our record company and performer members, it has been vital for us to have very clear strategic priorities to ensure that we are progressing the right projects at the right time. This enables us to maximise what we deliver each year, both in terms of the overall performance of PPL and the services that we offer to members.

We made really good progress in 2014 on a whole range of matters across our operations and we have summarised some of these achievements in the Company Strategy section on page 9. We have then expanded upon a number of these themes in the remainder of this Annual Review.

In 2014, we not only collected more revenue but also paid out more of that revenue faster, with more detailed statements in support of those payments, to more members than ever before. I was particularly proud that over 55,000 performers received at least one payment from PPL during the year.

Customer service remains a key priority for us at PPL and we invested both time and resource in continuing to raise the level of service we deliver to our licensees and members. The positive results of this activity can be seen in the feedback that we receive from licensees and members, and from independent sources: I am very pleased that, for a further year running, PPL qualified for the finals in various customer service awards.

In addition to focusing on PPL's performance and services during the year, we continued to develop our working relationships with other collective management organisations ("CMOs").

In the UK, our relationship with *PRS for Music* continues to strengthen. We have been working on a range of joint licences. Whilst we have ambitious plans together for Public Performance licensing, we have also expanded this joint work to other areas of our operations.

On the International front we have been working closely with dozens of overseas CMOs. While PPL has already become the market leader for International collections for record companies and performers, we believe that we can improve our services even more if we and other CMOs can jointly improve the efficiency and accuracy of the International collection and distribution processes around the world. Given the size, popularity and success worldwide of UK recorded music, PPL's members should benefit significantly from those improvements across the global community of CMOs if they can be achieved.

One aspect of this international collaboration has seen PPL provide back office services to some CMOs for the first time in 2014, which draw upon our significant and successful investment in IT systems and sound recording data quality over recent years. PPL has also been working with a large group of CMOs on developing new IT systems and ways of working that will enable those CMOs to make very positive steps forward together in the near future. These are exciting times for International collections and CMO collaborations.

As we look back on another successful year, I would like to thank PPL's Chairman, Fran Nevrkla. Fran started back in 2000 (initially as Chairman and CEO, before assuming the Chairman role outright in 2012). Fran has presided over the most radical transformation of PPL in its 81 year history, and also its most successful period as a company, overseeing 15 years of annual growth. As a former professional violinist and record company executive he has worked tirelessly, and with complete determination, to do the best job possible for all of PPL's record company and performer members. He has also created the modern day PPL that I and my team will aim to continue to drive forward. I would like to say a massive thank you to Fran from everyone at PPL for all that has been achieved.

Finally, I would like to thank all of the PPL staff for all of their unstinting help, dedication and support in delivering against an ambitious company agenda and for enabling me to present such a good set of PPL results for 2014.

Peter Leatham
CEO

In 2014, we not only collected more revenue but also paid out more of that revenue faster, with more detailed statements in support of those payments, to more members than ever before.

COMPANY STRATEGY

PPL's Company Strategy serves as the roadmap for our key activities during the year and helps us deliver our strategic business goals. The ten headings identified for our Company Strategy in 2014 were a continuation of the key areas of focus from the previous year, as we built further on those important areas. These then formed the basis of our planning, target-setting and performance management at all levels of the company during the year.

OUR TEN KEY AREAS OF FOCUS IN 2014:

- Maximise our net distributable revenue
- Maximise the pay-out of 2013 collections
- Deliver a first-class licensee experience
- Deliver a first-class member experience
- Further develop our people strategy
- Further develop the accuracy of our distributions
- Pioneer the management of sound recording data
- Engage with copyright developments and regulatory matters
- Support international data improvement initiatives
- Further develop joint working with *PRS for Music*

Over the next five pages, we provide a top line summary of some of our key achievements in each of these top ten areas.

MAXIMISE OUR NET DISTRIBUTABLE REVENUE

Public Performance



Delivered 10% growth in Public Performance licensing income and successfully implemented a first year of operating PPL's new Exercise to Music tariff.

Broadcast and Online



Concluded a number of key commercial television licences, including a three year deal with BT Sport for the use of recorded music in its broadcasts.

International



Signed new international agreements with nine CMOs, including SLOVGRAM (the Slovakian performer CMO), NUOVO IMAIE (the Italian performer CMO), and ZAPRAF (the Croatian recording rightsholder CMO).

MAXIMISE THE PAY-OUT OF 2013 COLLECTIONS

Payments

Made payments to 55,852 performers and 5,458 recording rightsholders during 2014.

Pay-Through Rate

Paid out 92.8% of 2013 collections by 30 June 2014.

SPEDIDAM Distribution



Paid out nearly £9m from SPEDIDAM (the French non-featured performer CMO) which lacked supporting data, and therefore required extensive work by PPL to obtain and process appropriate data to enable the distribution.

DELIVER A FIRST-CLASS LICENSEE EXPERIENCE

Online Licensing

Launched the next phase of our online licensing functionality, enabling many of our licensees to apply and pay for their PPL licence via our website.

Awareness

Attended a wide range of trade events across the UK as part of our efforts to raise music licensing awareness, including The Restaurant Show, Fitpro and the National Business Show.

Small Business Music Users Panel



Set up a Small Business Music Users panel (together with *PRS for Music*) to meet regularly with trade bodies representing small businesses to provide updates and share feedback.

DELIVER A FIRST-CLASS MEMBER EXPERIENCE

myPPL



Delivered improvements to our membership processes and systems, including changes to our myPPL portal to make it easier for our performer members to submit evidence in support of their claims to be added to sound recording line-ups.

Member Outreach

Attended 60 UK events and 13 international events, as one of various ways of seeking to reach out to as many of our members as possible.

Member Communications

Launched a monthly newsletter, 'On Track' to streamline communications with our members.

FURTHER DEVELOP OUR PEOPLE STRATEGY

Employee Engagement



Launched a new HR and payroll system, which was runner-up (and awarded Highly Commended status) in the HR Technology Category at the Employee Engagement Awards.

Diversity and Equality



Continued to engage with the UK Music Equality and Diversity charter and hired PPL's second apprentice (having offered a permanent role to our first apprentice from 2013).

BPI Big Music Project



As part of the BPI's Big Music Project, ran workshops in different parts of the UK about music industry employment opportunities.

FURTHER DEVELOP THE ACCURACY OF OUR DISTRIBUTIONS

Music Usage Data

Worked with our licensees to obtain more and better quality music usage data, to assist in a 23% increase in the number of played recordings matched to our repertoire database.

Matching System

Delivered enhancements to our “matching” system which enables PPL to link the recordings used by a licensee to our recordings database, so we can then identify the owner of that recording and who played on it.

Music Reporting

Worked with *PRS for Music* to explore opportunities to share and develop best practice with regards to music reporting and distribution.



PIONEER THE MANAGEMENT OF SOUND RECORDING DATA

Repertoire Data

Recording rightsholders for the first time achieved a 99% success rate in delivering all of the mandatory data about their recordings thereby enabling PPL to achieve greater efficiencies and accuracy of payments.

Sound Recording Management



Successfully completing the re-registration of 186,000 sound recordings following the acquisition of EMI by Universal Music and the onward sale of some catalogues to Warner Music and BMG, which was a complex task.

International Repertoire

Loaded repertoire data into the PPL database from countries including France, Germany, US, Jamaica and New Zealand, enabling that repertoire to earn money if used by our licensees.

ENGAGE WITH COPYRIGHT DEVELOPMENTS AND REGULATORY MATTERS

Copyright Term Extension

Continued to work with other music industry bodies on setting up the supplementary remuneration fund for session musicians under the UK's copyright term extension regulations, ahead of the first payments being made into the fund in 2015.

Independent Code Review

Participated in the first-ever Independent Code Review, which concluded that UK CMOs (including PPL) were compliant with their voluntary codes of conduct and collectively committed to make self-regulation work.

Collective Rights Management Directive

Worked with other UK CMOs and the Intellectual Property Office on initial preparations for the implementation of the Collective Rights Management Directive into UK law by April 2016.

SUPPORT INTERNATIONAL DATA IMPROVEMENT INITIATIVES

DDEX



Led an initiative within the international CMO community to deliver an update to the DDEX MLC file format, laying the foundations for all repertoire data flows between CMOs and rightsholders to be based on a single file format.

Business Services



Delivered repertoire matching and distribution services to LaIPA (the Latvian CMO) to support its annual distribution.

VRDB2 Project



Continued to play a leading role in the VRDB2 project, working with many other CMOs on plans to develop a more effective international solution for sharing repertoire and playlist data to effectively collect more money.

FURTHER DEVELOP JOINT WORKING WITH *PRS FOR MUSIC*

Joint Licensing



Partnered with *PRS for Music* to launch a joint licensing solution (which can be obtained and paid for online) for small businesses using background music on their websites.

Fieldworking Trial



Undertook a joint trial, with each of the PPL and *PRS for Music* field working teams, helping businesses to obtain any necessary music licences from both organisations.

Understanding Music Licensing



Co-produced a short film (used on our websites and at marketing events) to explain the difference between the two organisations and why two music licences are usually required.



Revenue Collected and Distributable Income

£187.1m **↑6%**
Revenue collected

£161.2m **↑6%**
Distributable income

FINANCIAL SUMMARY

PPL's total income in 2014 was £187.1 million, an increase of 6% on 2013. Year-on-year growth was delivered across all UK and International income streams. In addition, PPL's cost-to-income ratio was 14.1%, maintaining the level from 2013, as distributable revenues were up 6% on the previous year to £161.2 million.



Licence Fee Income

£74m ↑11%
Broadcast and Online

£76.7m ↑10%
Public Performance

£36.4m ↑16%
International

Broadcast and Online

Overall growth in Broadcast & Online licensing income of 1% was delivered in 2014. This was achieved despite increased competition from new online services, which are largely licensed directly by PPL's members. Growth in income was mainly achieved through commercial radio income, as the commercial radio industry returned to growth in 2014. In addition PPL licensed several new television broadcasters and benefited from annual increases in existing long-term licensing arrangements with major television broadcasters.

Public Performance

With annual growth of 10%, Public Performance licensing had another successful year in 2014, continuing the pattern of substantial growth over the past decade. This was delivered through a whole range of activities, including a combination of increased market penetration in key sectors, improved tariffs and continued awareness raising activity.

International

PPL's International collections reached £36.4 million in 2014, which was a 6% increase on 2013.

This was achieved in an increasingly competitive environment and against a backdrop of adverse foreign currency rates and delays in distributions by some overseas CMOs. To drive growth during 2014, PPL continued to increase the number of members using its International service and the number of territories from which income was collected.

Anti-Piracy and Industry Contributions

£3,320,084

BPI

£823,736

UK Music

£621,402

IFPI

£65,000

Impala

BUSINESS REVIEW

In this section we look in more detail at our three income streams: Broadcast and Online, Public Performance and International. We worked hard during the year not only to maximise licensing income but also to make further improvements to our services to members, and this section summarises those developments as well.

Broadcast and Online

Broadcast and Online revenue totalled £74 million in 2014, an increase of 1% on 2013.

With long term licensing agreements in place throughout 2014 covering all major commercial television partners, revenue from this sector was flat year-on-year. Exceptional past payments received in 2013 were offset by moderate increases in fees across the sector in 2014 and a number of new licensees including BT Sport and local community television broadcasters. BBC revenues in respect of its television, radio and iPlayer services were similarly stable, and should continue at current levels through to the renewal of the BBC Charter in 2017. At the end of 2014 PPL and *PRS for Music* agreed to establish a forum with the major commercial television broadcasters and the BBC, to jointly discuss the challenges facing the licensing of music on television going forward in an increasingly multi-platform, on-demand, television arena. The first meeting of this panel took place in January 2015.

With the economic recovery now feeding through into advertising revenues, PPL receipts from commercial radio returned to growth in 2014 resulting in a year-on-year increase of 4%. A collective licence agreement with a US aggregator extended PPL's licensing to a further tranche of US based online radio stations streaming into the UK. PPL now licenses over 1,500 radio stations ranging from traditional commercial radio stations to amateur DJs operating web radio stations from their bedrooms.

2014 also saw the launch of the first joint PPL & *PRS for Music* online licence. The licence covers "background music" on small business websites for both sound recording and musical works rights in one simple payment.

PPL receipts from commercial radio returned to growth in 2014 resulting in a year-on-year increase of 4%

Public Performance

In 2014 our Public Performance Operations (PPO) team continued to deliver strong growth. Public Performance and Dubbing revenue for the year totalled £76.7million, a 10% increase year-on-year. Revenue from our Specially Featured Entertainment tariff (which licenses events where music is an integral part of the occasion) increased by 8%, from our Hairdressers and Beauty Salons tariff by 14% and from our Background Music in Pubs/Bars Restaurants and Cafés by 21%. Our partnership with *PRS for Music* saw a number of significant developments in 2014. We now have over 3,000 Amateur Sports Clubs jointly licensed as well as having over 6,000 small businesses (those with four or fewer employees) signed up to our jointly issued Small Workplace licence.

Our joint research into how music helps people do their job, which we conducted for MusicWorks, received national press attention, with The Telegraph's coverage alone being shared over 6,000 times. And finally, a field trial, in which both PPL and *PRS for Music* teams collected licensing information from businesses for both organisations, is being expanded following positive feedback from licensees.

These projects proved the benefits of PPL and *PRS for Music* working together, creating efficiencies for both parties and making it easier for licensees. In fact PPL and *PRS for Music* were commended for their joint working efforts in the Independent Code Review report covering the system of self-regulation operated by PPL and a number of other UK CMOs.

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Following the recommendation of the Code Review, PPL and *PRS for Music* also set up a panel for small business music users (represented by trade bodies) to meet twice a year to provide updates and share feedback. Two sessions have already taken place.

Whilst introducing new or changed tariffs helps us generate revenue, a key part of their success relies on the ease with which our customers can purchase them. To this end, we made a range of improvements to our Public Performance licensing processes and systems throughout 2014.

Chief among these was enabling some of our licensees to apply and pay for a licence on *ppluk.com* for the first time. Meanwhile, integrating “Postcode Anywhere” into our online licensing system improved the quality of our customer address data and the customer experience. Similarly, we reviewed a number of business processes and streamlined them wherever possible. In May, we also launched our Public Performance Licensee Experience Survey, the feedback from which now shapes our ongoing improvements. We would like to thank customers who have worked with us to improve the overall experience.

To drive awareness of all these improvements, our new tariffs and our overall service, we undertook a wide variety of activities. Our Exercise to Music campaign secured coverage in almost 20 media outlets ranging from DailyStar.co.uk to Health & Fitness magazine while our new educational film with *PRS for Music* about the need for music licences was featured in titles as diverse as Hairdressers Journal and Business First. We attended a wide range of shows and events in the UK including The Restaurant Show, Fitpro and The National Business Show.

We made a range of improvements to our Public Performance licensing processes and systems.



International income by country

£9.6 million
26% USA

£5.6 million
15% Belgium

£3.9 million
11% Netherlands

£2.5 million
7% France

£1.7 million
5% Germany

£1.3 million
4% Finland

£1.3 million
4% Denmark

£1.2 million
3% Japan

£1.1 million
3% Spain

£8.2 million
22% Others

International

2014 proved very successful for our International collections. Revenue reached £36.4 million, a £2 million (6%) year-on-year increase, which was 12% growth on a currency neutral basis. This was achieved in the face of what continues to be an unstructured and immature market. We also faced additional external factors such as currency challenges, the decline in the value of the yen and euro in particular.

The top three countries from which revenues were collected in 2014 were the USA (£9.6m), Belgium (£5.6m) and the Netherlands (£3.9m) and significantly higher year-on-year payments were received from Finland (£1.3m) and Poland (£1.1m). As the major repertoire owners collect directly in each country, the largest part of the revenue PPL collected was on behalf of performers (£30.7m) with additional (£5.7m) generated on behalf of independent record companies.

The US is now the largest market that PPL collects revenue from, thanks to both the rates that have been achieved - such as 10% of gross revenues for satellite radio - and the scale of the services paying these rates such as the satellite

broadcaster SiriusXM and the customised radio service Pandora.

Our active management and delivery of data aligned to the successful implementation of new technology by the Belgian CMO Playright led to the collection of £5 million in backdated payments from Belgium. Poland also delivered a significant growth in backdated revenue, which goes back to 2006. Switzerland removed their minimum payment threshold, which allowed a vast amount of previously ineligible small payments to be recouped. A payment from Finland contained settlement fees following the resolution of a dispute over TV dubbing revenues.

We continued to increase PPL's global reach and the number of CMOs with which it has agreements; in 2014, nine new agreements were signed, bringing the current total up to 75. Leading the market, PPL now collects more than 50% of all performer neighbouring rights payments moving between CMOs throughout the world.

As PPL continues to globalise its database, we have received repertoire data from CMOs around the world, with France, Germany, USA, Brazil, Jamaica, New Zealand, Czech

Republic, Denmark, Finland, Spain and Italy all registering their material with our Repertoire Database. To make it as simple as possible for CMOs to provide data on their repertoire, we implemented a new version of DDEX MLC data format and introduced an easy-to-use template for registering repertoire.

We have also been leading initiatives with a host of CMOs in other countries to help streamline data exchange and IT systems, to maximise revenues for members. In April, we began a trial roll-out of repertoire matching and distribution services to other CMOs under the banner of 'Business Services'. We are the first CMO of our type to offer such a service. A CMO provides us with usage information and repertoire; we match the two then provide payment outputs for them. This process reduces their workload and saves them from having to invest in local systems, allowing them to focus on increasing local licensing income and servicing local members. We have always believed PPL is well placed to offer such services to other CMOs. These services were provided to LaIPA (Latvia's CMO) and EFU (Estonia's CMO).



Number of members paid in 2014

55,852
Performers

5,458
Recording rightsholders

Member Services

The Member Services team is proud to continue to deliver excellent service to our members. We were again delighted that the team made it to the finals of the UK Customer Experience Awards 2014.

We value meeting members face-to-face and in order that we can meet as many members as possible the team has attended a total of 60 events in the UK and 13 internationally in 2014. We also introduced 'PPL in Session', which are member-focused events hosted by our Member Services team. The purpose of the events is to address member queries and frequently-raised issues in person. In addition, we hope that, by virtue of the fact that most of the PPL in Session events have taken place in PPL's offices, the approachability of the teams at PPL will be reinforced in members' minds. If members are unable to attend in person, they are invited to attend via Webex Conferencing, which enables them to take part and interact with the session online. This service commenced in July 2014 and allows members to engage directly with the PPL team without the limitations of geographical location.

To complete the communications circle we launched 'On Track', a monthly newsletter for all members. We also continued to run the Member Experience Survey, which seeks to find out how members are feeling and to gather their feedback on how we can improve our service. The feedback has largely been on the whole very positive and we appreciate the effort members

have made in providing details of their interactions with PPL.

In our quest for constant improvement we made a number of upgrades to our processes and systems in 2014. At the beginning of the year, we made it easier for performers using myPPL to submit supporting evidence for their claims to be added to sound recording line-ups. In addition, myPPL underwent a fundamental upgrade and restructure of its technical architecture during the year. While most people using myPPL will only have seen minor improvements to date, the work we have completed will enable us to make further improvements moving forward. The quality of our data has also been improved by the updates made to our Register Repertoire facility during 2014. Record labels are now better able to tell us who owns the rights to their recordings internationally. Thanks to their use of the improved facility, PPL is working towards developing a definitive repository of details on multi-territory rights ownership for the recordings that it manages. Additionally, in April when Universal Music bought EMI, 186,000 recordings had to have their rights ownership changed from EMI to one of Universal, BMG or Warner. PPL took the lead, updating our database before sharing the new details with other CMOs.

On the people front we reviewed all of the roles in the team to align them with our service delivery and carried out a restructure to drive forward service improvements.

In 2014, we also ran a test campaign with the Musicians' Union and the BPI to reach performers who had not submitted their bank details to PPL (making it difficult to pay them). It proved so successful that we plan to extend the campaign to reach a wider audience over the coming months.

Importantly, we increased the amount of money that was paid out first time. In June 2014 we paid out 92.8% of the 2013 collections and will continue ongoing work to pay out the remainder. Further, extensive work by the PPL team enabled the distribution of historic revenue from the French CMO, SPEDIDAM resulting in payment to almost 10,000 non-featured performers.

We also worked closely with our recording rightsholder members to improve the accuracy and completeness of the data they supply and complemented this work with research and manual additions to repertoire. As a result we were able to make at least one payment to 55,852 performers and 5,458 recording rightsholders during the course of 2014.

Technology

2014 was a year of continued focus on our core operational systems. Since they went live in 2011, we have spent the last three years refining our databases and software applications to allow ever greater volumes and efficiency of processing. Our repertoire database now routinely receives details of around 28,000 new sound recordings every week and grew to hold details of 8.2 million sound recordings by the end of 2014.

Our repertoire database sits at the heart of our distribution activity and is widely recognised as the most authoritative source of sound recording data in the world.

Our focus in 2014 on developing the database to allow the bulk upload of international repertoire from other CMOs and the work to allow a full international picture of rights ownership to be provided by our record company members has only served to further cement this leading position. The database is updated daily with feeds from a broad range of record companies and other CMOs. Merging this new

data into the database and applying all the changes to existing sound recordings requires an intensive amount of processing every day. One area of emphasis during the year was enhancing the performance of this processing to ensure that the volumes could be managed without impacting the availability of the system to our staff and members.

Another area of our operational systems that received considerable focus in 2014 was our usage matching system. This is the system that allows us to match the sound recordings that our licensees report as having been played to the PPL repertoire database. This system makes use of complex matching and data cleansing technology to try to automate, as far as possible, this matching process. As with any automated system, the rules that are applied by the software will not get things right in every situation. During 2014 we developed technology that allows us to identify where a potentially incorrect match has been made and to allow the match to be

revised. Whilst largely invisible to our members, this has been one of the key factors in the further improvements in our first time pay-through rate as it has allowed us to ensure that usage is matched to the most appropriate repertoire more efficiently and more thoroughly.

The scale of our operations is such that we now generate vast quantities of data when we process a distribution. Our data warehouse, which holds a permanent record of all of our distributions, and which serves as the repository for generating a range of distribution statements and analytics, now holds in excess of 6 billion rows of data. Work was undertaken during the year to extend the range of data that is held in the warehouse and to develop additional analytics and reports. This enhanced capability will be at the heart of our plans to deliver further insight and analytical capability to our members on how their PPL income has been determined.

In addition to all this work on core operational systems, 2014 was also about laying the groundwork for some significant enhancements to the look, feel and functionality of the myPPL service that are planned for 2015. The myPPL service brings together the functionality from a range of different PPL systems and databases into a single place and is necessarily complex as it moves a user between systems whilst preserving the transactional flow in a secure manner. As a necessary first step in transforming the myPPL experience, 2014 saw us undertake a major upgrade, and in some cases replacement, of all of the underlying technology components that are involved in delivering the myPPL service. This was a significant undertaking of considerable complexity and was successfully delivered in December 2014. In 2015 we will make use of these new technology components to deliver a richer, cleaner and more intuitive myPPL experience for all our users.

The technology systems we have developed at PPL are at the very heart of our operations and they have been instrumental in powering the continued, year-on-year success of PPL. They are rightly the envy of many CMOs around the world, to the point that a number of them are now happy to have PPL undertake their operational processing for them.

The experience and expertise we have gained from developing and evolving our systems, together with our track record of on-time technology delivery has also seen us play a leading role in international initiatives such as in SCAPR's VRDB2 project. This is an industry-wide endeavour seeking to establish a shared global repertoire database to make the process of exchanging repertoire and performer line-up data between societies much more efficient and accurate, ensuring that people are paid faster and more accurately.



Our People

288

Members of staff

25%

5 or more years' service

23

Long service awards

OUR PEOPLE

People form a critical part of our Company Strategy. We seek to focus on retention, engagement, management development and to drive positive performance and behaviour across the company.

Our People

In 2014, PPL launched a new internal HR and Payroll System called 'People Records', allowing the HR Department to create operational efficiencies by moving paper-based processes onto the system and automating them where possible. Since its implementation, People Records has significantly enhanced the overall employee experience. In addition, the new system has enabled the HR team to make a cost saving on the previous system.

2014 also saw us enter and be recognised as finalists at a number of employee engagement awards, recognising the work of our employees and growing our reputation externally as a potential employer.

In particular, our People Records system was 'Highly Commended' in the Employee Engagement Awards in the 'HR Technology' category. Additionally, we entered one of our employees into Music Week's annual '30 Under 30' feature which recognises and celebrates the UK music industry's young music executives. We were pleased to congratulate James Bessell, an Account Manager working in our Public Performance team, for being recognised in this feature. Congratulations also to PPL's Director of Operations, Christine Geissmar who was recognised as one of the top 30 most influential women executives in the UK music industry in Music Week's annual Women in Music Awards.

We have continued to engage with the Equality and Diversity Charter, working with UK Music and ADMM to develop and implement strategies to fulfil the pledges of the charter both within PPL and the wider music industry. We have also been working with the BPI on The Big Music Project Live; we attended four national themed events packed with live music, inspirational keynotes from musicians and youth entrepreneurs, and interactive panels with industry experts.

In 2013, we took on our first apprentice, Holly Hopwood, as a Music Delivery Assistant. Following successful completion of her apprenticeship Holly has now taken a permanent position within PPL during 2014 and we have subsequently hired another apprentice. Now that we have laid these foundations down and been through the process once, we are confident that we will be able to include the option of having an apprentice as part of the regular recruitment conversations that take place with managers around the business.

In 2014, a number of our employees reached long service milestones. Kirk Annett (Repertoire and Member Data) was recognised for 25 years' service. Sacha Colgate (Repertoire and Member Data) was recognised for 20 years' service. Jim Lavelle (Music Reporting), Louise Allotey (PPO), Kieran Walsh (PPO), and Mary Hutchings (PPO), were recognised for their 15 years' service. Cristalle Charles-Morrell (Facilities), Dean Francis (Member Services), and Sean Doel (Member Services) were recognised for their 10 years' service.

CORPORATE SOCIAL RESPONSIBILITY

PPL is proud of its ongoing dedication to its CSR Programme. Whether it is ensuring that the PPL workplace remains a conscientious environment, donating funds to a number of charities or supporting numerous projects through sponsorship, PPL is passionate about giving back whilst moving the company and our people forward.

Our Charity of the Year

Each year PPL employees choose a charity that they would like to support as their 'Charity of the Year'. For the past two years this charity has been the Teenage Cancer Trust (TCT). Around seven young people aged between 13 and 24 are diagnosed with cancer every day in the UK. They need expert treatment and support from the moment they hear the word 'cancer' and TCT are the only charity dedicated to making this happen.

Throughout the year PPL's staff organised several fundraising initiatives and programmes including raffles, cycling, running and skydiving. We owe special thanks to Joshua Cook, who raised the largest individual amount of money in 2014, by taking part in a trek across Burma (also called Myanmar).

Through his and the rest of our staff's support, effort and generosity, PPL raised over £10,000 for TCT in 2014. We are very proud of their achievement.

www.teenagecancertrust.org



Joshua Cook raises money for Teenage Cancer Trust

We cannot thank everyone at PPL enough for another wonderful year of support. Your dedication and motivation to Teenage Cancer Trust has been unfaltering and we are truly grateful. The vital funds and profile raised across the partnership are helping to transform the lives of young people with cancer, so thank you!

Jane Ashton
Teenage Cancer Trust

Hospital Broadcast Association

PPL makes a significant annual donation to the national charity that supports and promotes hospital broadcasting in the UK. It currently consists of 227 individual broadcasting stations, representing a large number of volunteers. Patients in many UK hospitals benefit from programmes designed to make life better for people in hospital and aid their recovery.

www.hbauk.com

The Young Musicians Symphony Orchestra

The YMSO is Britain's leading orchestra for young musicians on the threshold of their professional careers. It provides invaluable experience to those who are studying or have recently completed their training and exists to give these talented musicians the opportunity to rehearse and perform as well as receive coaching from top professionals and work with eminent conductors and soloists.

www.ymsso.org.uk

Nordoff Robbins

PPL is a longstanding supporter of the music industry charity Nordoff Robbins which brings music's transforming power to children and adults in need, through its therapy services, music and health projects and community music projects, as well as education programmes and research.

www.nordoff-robbins.org.uk

British Association for Performing Arts Medicine

BAPAM's mission is to achieve nationwide occupational health provision for professional, semi-professional and student performing artists, including health promotion, education and clinical advice for performance-related health problems suffered by musicians, singers, actors, dancers and other performers.

www.bapam.org.uk

The Radio Academy

The Radio Academy is a registered charity dedicated to the encouragement, recognition and promotion of excellence in UK broadcasting and audio production. PPL is a key sponsor at the Radio Festival and other music related Academy events.

www.radioacademy.org

The Young Persons Concert Foundation

PPL's donations are used to fund workshops for schools in the Soho and Westminster vicinity near the company offices. The Foundation, which is chaired by Lady Judy Martin and of which her husband Sir George Martin is a patron, helps young people to appreciate and enjoy music through educational workshops and live orchestral concerts.

www.ypcf.co.uk

The BRIT School

The BRIT School is a free Performing Arts and Technology School. It is an independent state funded City College for the Technology of the Arts, dedicated to education and vocational training for the performing arts, media, art and design and the technologies that make performance possible. As a school for 14 to 19-year-olds, it is unique in its approach to education. Recognising that most of its students intend to make a career in the arts, entertainment and communications industries, it expects all students to follow full time courses to completion. It prides itself on providing an excellent general education that helps prepare young people for the future.

www.brit.croydon.sch.uk

EXECUTIVE MANAGEMENT TEAM



Fran Nevrkla OBE
Chairman



Peter Leathem
Chief Executive Officer



Mark Douglas
Chief Technology Officer



Kate Reilly
Director of People and
Organisational Development



Christine Geissmar
Operations Director



David Harmsworth
Director of Legal & Business Affairs



Keith Harris
Director of Performer Affairs



Laurence Oxenbury
Director of International



Mary Beer
Director of Marketing and PR



Christian Barton
Finance Director



Jez Bell
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Independent Director

John Smith

Performer Director (Musicians' Union)

Michael Smith

Sony Music Entertainment UK Ltd

Peter Stack

Union Square Music Ltd

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Keith Harris

Director of Performer Affairs

Steve Levine

Music Producers' Guild

David Stopps

Music Managers' Forum

Geoff Taylor

BPI

Alison Wenham OBE

AIM

COMMITTEES

Finance Committee

The Finance Committee is primarily tasked with reviewing and setting PPL's revenue and costs budget each year, prior to ratification by the PPL Board, and to monitoring progress throughout the year.

Distribution Committee

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).

Audit Committee

The Audit Committee is a forum for PPL's auditors to talk directly to PPL's Finance Committee about their audit work with PPL.

Remuneration Committee

The Remuneration Committee's role is to review executive remuneration.



CHARTS

PPL's annual 'People's Charts' are compiled from music usage and airplay data from radio stations and television channels as well as public performance locations such as pubs, clubs, bars, jukeboxes and shops all across the UK.

THE PPL PEOPLE'S 2014 CLASSICAL CHART



1 **Einaudi**
Primavera
Ludovico Einaudi
Decca (Universal Music)



2 **Einaudi**
Divenire
Royal Philharmonic Orchestra with Ludovico Einaudi
Decca (Universal Music)



3 **Rutter**
All Things Bright And Beautiful
Cambridge Singers, City of London Sinfonia with John Rutter. Collegium (Collegium)



4 **Einaudi**
Nightbook
Ludovico Einaudi
Decca (Universal Music)



5 **Einaudi**
I Giorni
Ludovico Einaudi
Ricordi (BMG Rights Management)



6 **Einaudi**
Time Lapse
Ludovico Einaudi
Decca (Universal Music)



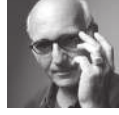
7 **Rutter**
For The Beauty Of The Earth
Cambridge Singers, City of London Sinfonia with John Rutter. Collegium (Collegium)



8 **Jenkins**
Palladio
London Philharmonic Orchestra with Karl Jenkins
Sony Classical (Sony Music Entertainment)



9 **Prokofiev**
Dance of the Knights
Cleveland Orchestra with Lorin Maazel
Decca (Universal Music)



10 **Einaudi**
Eros (Album Version)
Ludovico Einaudi
Decca (Universal Music)



11 **Dvořák**
Symphony No.9 (From the New World)
Royal Concertgebouw Orchestra with Mariss Jansons
Royal Concertgebouw Orchestra



12 **Einaudi**
Fly
Royal Philharmonic Orchestra with Ludovico Einaudi
Decca (Universal Music)



13 **Puccini**
Nessun Dorma
Luciano Pavarotti, John Alldis Choir, London Philharmonic Orchestra with Zubin Mehta. Decca (Universal Music)



14 **Jenkins**
The Armed Man
National Youth Choir Of Great Britain and London Philharmonic Orchestra with Karl Jenkins. Virgin (Universal)



15 **Einaudi**
Le Onde
Ludovico Einaudi
Ricordi (BMG Rights Management)



16 **Delibes**
Coppélia
Orchestre de l'Opéra de Lyon with Kent Nagano
Erato (Warner Music)



17 **Rodrigo**
Fantasía para un gentilhombre
Narciso Yepes (guitar), English Chamber Orchestra with García Navarro. Deutsche Grammophon (Universal Music)



18 **Handel**
Larghetto
Albrecht Mayer (oboe), Sinfonia Varsovia with Monika Razynska. Decca (Universal Music)



19 **Elgar**
Cello Concerto
Jacqueline du Pré (cello), Hallé Orchestra with Sir John Barbirolli. EMI Classics (Warner Music)



20 **Johann Strauss II**
On The Beautiful Blue Danube
City of Prague Philharmonic Orchestra with Paul Bateman. Silva Screen (Silva Screen)

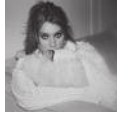
THE PPL PEOPLE'S 2014 POP CHART



- 1 **Pharrell Williams**
Happy
Columbia (Sony Music Entertainment)



- 2 **Clean Bandit Feat. Jess Glynne**
Rather Be
Atlantic (Warner Music)



- 3 **Ella Henderson**
Ghost
Syc0 (Sony Music Entertainment)



- 4 **OneRepublic**
Counting Stars
Interscope (Universal Music)



- 5 **John Legend**
All Of Me
Columbia (Sony Music Entertainment)



- 6 **Sam Smith**
Stay With Me
Capitol (Universal Music)



- 7 **Katy Perry**
Roar
Virgin (Universal Music)



- 8 **Ed Sheeran**
Sing
Asylum (Warner Music)



- 9 **Magic!**
Rude
RCA (Sony Music Entertainment)



- 10 **Avicii**
Hey Brother
Virgin (Universal Music)



- 11 **Avicii**
Wake Me Up
Virgin (Universal Music)



- 12 **Aloe Blacc**
The Man
Interscope (Universal Music)



- 13 **Pitbull Feat. Ke\$ha**
Timber
RCA (Sony Music Entertainment)



- 14 **Paloma Faith**
Only Love Can Hurt Like This
RCA (Sony Music Entertainment)



- 15 **Nico & Vinz**
Am I Wrong
Warner Bros (Warner Music)



- 16 **Ellie Goulding**
Burn
Polydor (Universal Music)



- 17 **Gary Barlow**
Let Me Go
Polydor (Universal Music)



- 18 **Sam Smith**
Money On My Mind
Capitol (Universal Music)



- 19 **Coldplay**
A Sky Full Of Stars
Parlophone (Warner Music)



- 20 **Sigma**
Nobody To Love
3 Beat (All Around The World)

THE PPL PEOPLE'S 2014 ARTIST CHART



1 **Katy Perry**



2 **Coldplay**



3 **Ed Sheeran**



4 **Sam Smith**



5 **OneRepublic**



6 **Rihanna**



7 **Clean Bandit**



8 **Avicii**



9 **Olly Murs**



10 **Michael Jackson**



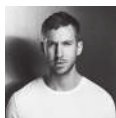
11 **Ellie Goulding**



12 **Pharrell Williams**



13 **Queen**



14 **Calvin Harris**



15 **Bruno Mars**



16 **Take That**



17 **Madonna**



18 **Paloma Faith**



19 **P!nk**



20 **Robbie Williams**

Classical Chart

Einaudi dominates the PPL People's Classical Chart once more, with two of the top three and eight of the top 20 most played classical recordings in 2014. 'Primavera' returns to the summit for a second time, after achieving it previously in 2011. Einaudi's music is particularly popular on TV where it is used to evoke a wide range of emotions on screen. With such consistent dominance year-on-year, he truly is the people's classical choice.

Pop Chart

At number one is 'Happy' by Pharrell Williams. This track was a phenomenon and penetrated the public's consciousness last year, becoming an anthem for the ages. Clean Bandit's 'Rather Be' would have been a number one in any other airplay year and it will likely be broadcast and played in public for many years to come.

Artist Chart

British music had a fantastic 2014, with three of the top five most played artists being from the UK. Coldplay's new material, the emergence of Sam Smith and Ed Sheeran's return all resulted in domestic success, but it is 2014's Queen of Pop Katy Perry who reigns supreme at number one. Her two huge hits 'Roar' and 'Dark Horse' in particular received significant airplay throughout 2014, taking her to the top of this chart.

CREDITS

Our thanks to all contributors to this year's Annual Review.

Photography

PPL People's Classical Chart

Entry 17: ©Susech Bayat / DG

Entry 18: ©Decca / Stephen Boehme

PPL People's Pop Chart

Entry 7: ©Cass Bird

Entry 8: ©Ben Watts

PPL People's Artist Chart

Entry 15: ©Kai Z Feng

Entry 16: ©Hamish Brown

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