



# Annual Review 2016

A RECORD YEAR OF UK AND INTERNATIONAL GROWTH



Founded in 1934, PPL is the UK music industry's collective management organisation (CMO) for tens of thousands of performers and record companies.

We license recorded music in the UK when it is played in public (shops, bars, nightclubs, offices, etc.) or broadcast (BBC, commercial radio, commercial TV, etc.) and ensure that revenue flows back to our members. These include both independent and major record companies, together with performers ranging from emerging grassroots artists through to established session musicians and influential festival headliners.

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# 2016 in numbers



390,500

Licensed public performance sites

64

Public performance tariffs

11 million+

Sound recordings in PPL's repertoire database

82

International agreements

92,691

Performers and recording rightsholders paid

£212.1m

Revenue collected

£178.9m

Net distributable revenue

# Chairman's statement

It has been just over a year since my tenure as PPL Chairman began. And what a year it has been.

Against a backdrop of an ever-evolving and competitive global rights management landscape, PPL has continued to deliver record-breaking levels of financial growth and greater levels of collaboration with its many partners here in the UK and around the world.

I've been on an eye-opening journey these past 12 months, getting further acquainted with the priorities, the processes and – of course – the people behind the scenes at PPL. It has been a real privilege.

As the months have gone by, I've witnessed teams of committed individuals go to great lengths to ensure performers and all those who invest in music get the maximum return and reward for their work.

Whether it be through the continual improvement of the data matching process for existing performers and recordings, extensive outreach to engage with unregistered constituents, investment in leading technologies, the licensing of new customers or, simply, being present up and down the breadth of the UK and overseas to support members, not a stone has gone unturned.

In a bid for greater efficiencies, cost savings and bigger returns, the joint venture with *PRS for Music* for public performance licensing was announced in February last year. A great deal of work has since been undertaken to bring the joint venture to fruition, with the new company to be based in my home city

of Leicester where it is hoped it will add value to the vibrant music community and culture.

As the outgoing General Secretary of the Musicians' Union, one of the pivotal moments for me last year was marking the tenth anniversary of welcoming performers into PPL, following the merger of the performer organisations PAMRA and AURA into PPL in 2006. I joined the PPL Board at that time and I can confidently say that we have come a long way since then.

The PPL of today is a forward-thinking, innovative and collaborative organisation that strives to represent the interests of both record companies and performers, to protect their rights and to maximise their income.

In a political and economic climate that is unsettling for many, it is encouraging to know that PPL remains stronger and more successful than ever and entirely focused on delivering maximum return, benefit to and support for its members.

I would like to thank all of you for your continued support and would like to take this opportunity to thank each and every one of my colleagues across the organisation for their hard work and dedication to what has been an excellent year for PPL.

**John F. Smith**  
CHAIRMAN







# CEO's statement

**2016 was a strong year for PPL in many respects. I am pleased to report that revenues were up, distributions were up and the total number of international agreements were up – completing a hat trick of successes of which any collective management organisation (CMO) would be proud.**

In 2016 revenue collections experienced a new high, breaking the £200 million barrier for the first time, reaching £212.1 million. This was a significant increase of £15.1 million – or 8% – on 2015.

This achievement was supported by growth across PPL's three primary income streams – public performance and dubbing, broadcast and international. In public performance and dubbing we collected £86.4 million and in broadcast we generated £77.4 million. We celebrated our largest ever annual collections in international bringing in £48.3 million, an increase of a third (32%) on 2015, or 16% on a currency neutral basis. Given the size of our international collections, with over 80 international agreements with other CMOs now in place, we were able to shop around to find the best exchange rates which, in turn, further increased our overall performance.

PPL paid out more money to more members than ever before last year. Building on the achievements of 2015, we made at least one payment to over 83,000 performers, up from 65,000 performers; and to almost 10,000 recording rightsholders, an increase of over 50%.

These figures have been supported by forward-thinking and innovative teams across the business. As part of the umbrella

of an internal programme of work called Remix, seven projects have been implemented to enhance the service we offer to members. With the creation of a new Insight and Innovation team, our focus on data has become even stronger as we invest in leading analytics technologies and data science capabilities.

Through coordinated efforts amongst PPL teams and joint working with external third parties, PPL completed the year with more members, improved efficiencies and another award to add to its trophy cabinet in the form of the Company of the Year award in the Small to Medium Business category (for companies of under 500 employees) at the Employee Engagement Awards.

2017 is also a big year for us across the board. Many major broadcast agreements are due to be re-negotiated, including with the BBC, Sky, ITV and Channel Four. As always, we will be seeking to ensure that members are fairly paid when their recorded music is broadcast on the relevant TV, radio and digital platforms. We will also continue to expand our global footprint, driving forward discussions with other CMOs to improve data matching and embarking upon new partnerships to increase the revenue returned to members.

And, of course, we will launch our joint venture for public performance licensing with *PRS for Music* in Leicester – a major project that will aim to streamline licensing for customers whilst providing greater returns for PPL and *PRS for Music* members. It has been a pleasure working more closely with our friends at *PRS for Music*, not just on the joint venture but also on other innovative data-led projects, as well as our partnership with PRS Foundation for new and emerging talent.

I would like to thank everyone that has been part of our journey over the last year, especially the staff of PPL without whom I would not be able to proudly announce our achievements.

As ever, we appreciate support from you – our members. We are proud to be able to give back to music and we are proud to work for you.

Peter Leatham  
CEO

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*Revenues were up, distributions were up and the total number of international agreements were up – completing a hat trick of successes.*

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# Company strategy

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PPL's company strategy serves as the roadmap for our key activities during the year and helps us deliver our strategic business goals, to better support you – our recording rightsholder and performer members. Ten priorities 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 2016

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- 01 Maximise net distributable revenue
- 02 Maximise the pay-out of 2015 collections
- 03 Deliver a first-class licensee experience
- 04 Deliver a first-class member experience
- 05 Further develop our people strategy
- 06 Pioneer the management of sound recording data
- 07 Further develop the accuracy of our distributions
- 08 Engage with copyright developments and regulatory matters
- 09 Support international data improvement initiatives
- 10 Further develop joint working with *PRS for Music*

A summary of our key achievements in each of these top ten areas is set out in the pages that follow.

## Maximise net distributable revenue

### Broadcast

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Grew broadcast revenue by 2% to £77.4 million, driven predominantly by the strong performance of commercial radio.

### Public performance

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Delivered 2% growth in public performance and dubbing revenue to reach £86.4 million.

### International

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Achieved significant international revenue growth of 32% (16% on a currency neutral basis) to £48.3 million.

## Maximise the pay-out of 2015 collections

### Payments

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During the year, made at least one payment to over 83,000 performers and to almost 10,000 recording rightsholders.

### Pay-through rate

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Paid out 94% of 2015 collections by June 2016 which, following additional work, reached 96% by December 2016.

### Copyright term extension

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Distributed the second year of supplementary remuneration collected under the copyright term extension laws, with over 2,000 performers receiving allocations.

## Deliver a first-class licensee experience

### Joint licensing with *PRS for Music*

Delivered two new initiatives with *PRS for Music*, launching a new joint licence for community radio stations and one for nurseries which saw 1,053 new customers invoiced in its first four months of operation.

### Online licensing

Extended online licensing capabilities to allow more customers to self-serve when buying a licence, including now offering direct debit payments online.

### Licensee outreach

Undertook a range of activities to raise music licensing awareness including trade show attendance, trade press advertising and innovative marketing campaigns.

## Deliver a first-class member experience

### Increased member satisfaction

Achieved an average customer satisfaction score of 85% from surveyed members, up from 75% in 2015, and reached the finals of both the UK Business Awards and UK Customer Experience Awards.

### Electronic signatures for US tax forms

Undertook a project allowing members to use electronic signatures to sign US tax forms they submit to PPL online, which improved the member experience and allowed PPL to pay out more US revenue to members.

### Improved digital support

Introduced guided, pop-up 'WalkMe' tutorials to help members complete online PPL forms.

## Further develop our people strategy

### Award-winning employee engagement

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Won the Company of the Year award in the Small to Medium Business category (for companies of under 500 employees) at the Employee Engagement Awards.

### Enhanced internal communications

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Introduced a number of initiatives to promote cross-departmental interaction and open communication to create an engaged workforce.

### Engaging work environment

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Undertook an office refurbishment in order to create a more engaging work environment for employees.

## Pioneer the management of sound recording data

### Repertoire data

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Loaded, on average, details of over 30,000 new recordings each week into the PPL repertoire database during 2016, with over 1.7 million new recordings being loaded in total.

### Project Remix

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Under this umbrella, completed seven internal projects to enhance our service to members, focusing on improving processes and providing greater analysis, insight and data visualisation.

### Insight and Innovation team

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Created a new Insight and Innovation team to provide insight and analysis on PPL data to support the activities of a range of teams across PPL's operations.

## Further develop the accuracy of our distributions

### Increased performer identification

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Identified over 10 million performances across 3 million internationally-played recordings in 2016, a growth of 18% and 31% on 2015 respectively.

### Music usage data

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Utilised music usage data collected from 1,076 different sources for PPL's June 2016 distribution, further ensuring the accuracy of payments in our distribution process.

### Performer line-ups

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Added over 1 million updates to performer line-up details on the recordings in the PPL repertoire database.

## Engage with copyright developments and regulatory matters

### Collective rights management (CRM) Directive

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Implemented various operational and constitutional changes as part of compliance with the UK regulations implementing the CRM Directive.

### AGM online voting

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Introduced online voting for PPL's Annual General Meeting, overseen independently by Electoral Reform Services.

### European developments

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Continued to work with the British Copyright Council, UK Music and others on matters such as the EU Digital Single Market strategy and Brexit.



## Support international data improvement initiatives

### International business services

Signed an agreement to deliver business services to the Irish music licensing company, PPI. Starting in 2017, PPL will be using its systems and data to calculate distribution allocations for onward payment by PPI, based on the recordings used by PPI's licensees in Ireland.

### VRDB2

Submitted details of 450,000 recordings into the VRDB2 database, an international project to help CMOs exchange and improve the quality of data to support global royalty collections, with PPL taking a leading role in driving the project forward.

### International collaboration

Continued to develop relationships with a range of overseas CMOs, focusing particularly on exploring opportunities for further international collaboration on data, systems and shared standards.

## Further develop joint working with *PRS for Music*

### Joint venture for public performance licensing

Announced a joint venture with *PRS for Music* to license public performance customers, due to launch in 2017, and undertook extensive preparatory work throughout the year. This included obtaining Competition and Markets Authority clearance and securing premises for the joint venture in Leicester.

### PRS Foundation funding

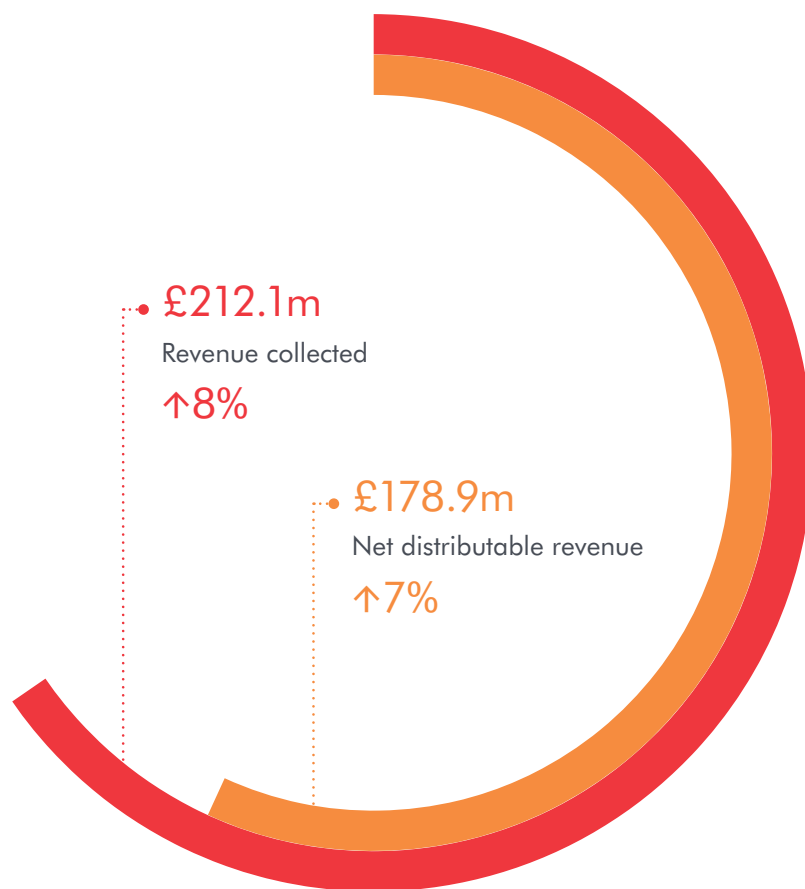
Partnered with PRS Foundation, with the contribution of £200,000 per year to support emerging talent through the charity's Momentum Music and International Showcase Funds.

### Music recognition technology

Undertook a six-month pilot to explore the potential use of Music Recognition Technology in venues with specially featured entertainment/DJ events.

## Revenue collected and net distributable revenue

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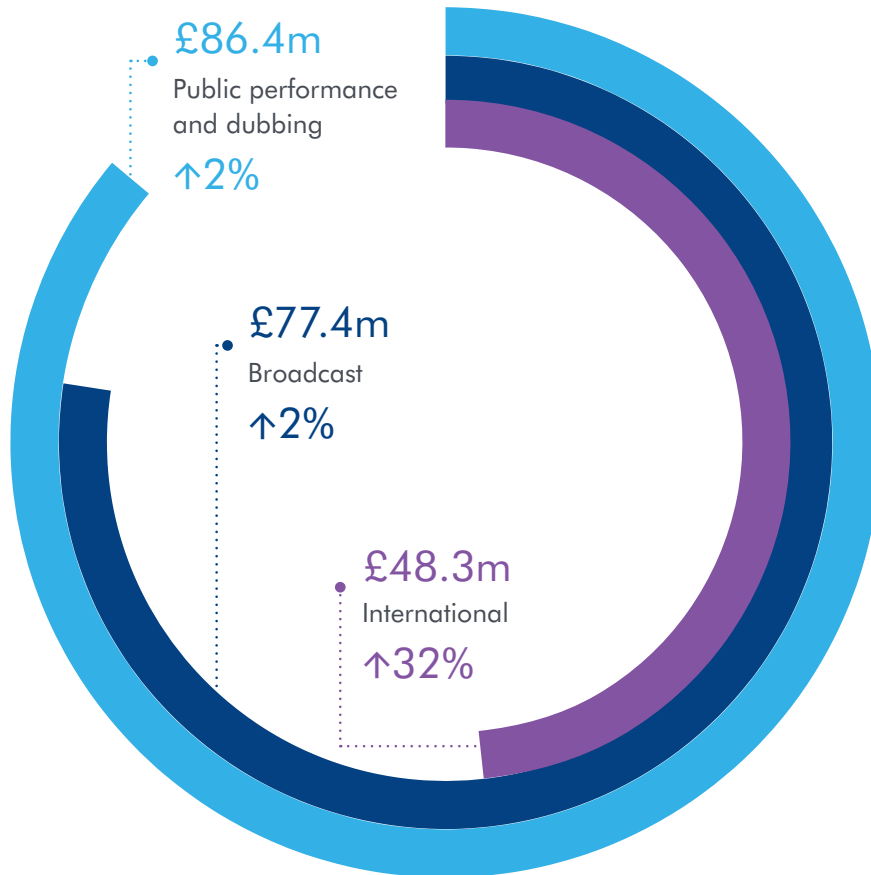


# Financial summary

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PPL's total revenue in 2016 saw significant growth to reach £212.1 million, an overall increase of £15.1 million (8%) on 2015. Annual growth was delivered across all revenue streams, with a strong performance in UK licensing activity and a particularly notable increase in international collections of £11.6 million on 2015.

2016 was a year in which PPL's operating costs included a level of investment in order to create efficiencies and drive further growth in the future, particularly in terms of the development of the joint venture for public performance licensing with *PRS for Music*. As a result, the cost-to-revenue ratio increased slightly to 14.8% (from 14.2% in 2015), although without the investment in the joint venture this would have reduced to 13.8%.



# 2016 Revenue

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## Broadcast

Broadcast licensing delivered overall growth in revenue of 2% in 2016. This was largely achieved through the commercial radio sector, which saw an annual increase of 5%. In addition, PPL benefited from annual increases in existing long-term licensing arrangements with the BBC and all major commercial television broadcasters. These licensing agreements have been designed to reflect both the continuing use of music in linear broadcasting and to ensure coverage of new media services by audiences in the UK.

## Public performance and dubbing

With annual growth of 2%, public performance licensing had another successful year in 2016, continuing the pattern of sustained growth over the past five years. There has been a 57% increase in revenue collections in this area since 2011. Growth in 2016 was, again, largely achieved through retaining the vast majority of our existing customers and increasing market penetration. The

figures are a strong reflection on the Public Performance Operations team at PPL, who achieved this result despite the announcement in early 2016 of the intention to create a joint venture with *PRS for Music* in this area of the business. Significant progress was made on the development of the joint venture through the year, which will deliver a long-term commitment towards revenue growth and operational efficiencies for many years to come.

## International

In 2016, international revenue collected reached £48.3 million, a 32% increase on 2015. On a currency neutral basis, growth was 16%. Key to success in 2016 was improved collaboration with overseas CMOs. There was particular focus on streamlining processes between countries and improving data quality, which in turn has supported the recruitment and retention of an increasing number of members to our international collections service.

## Anti-piracy and industry contributions 2016

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In 2016, PPL made anti-piracy and industry contributions to the following: BPI (£1,322,145), IFPI (£602,441), UK Music (£556,000), Impala (£66,000).

# Business review

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In this section we look in more detail at our three revenue streams: broadcast licensing, public performance licensing and international collections. We worked hard during the year to not only maximise revenue, but also make further improvements to our services to members.

# Broadcast

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Broadcast revenue grew by 2% to £77.4 million, driven predominantly by strong growth in commercial radio.

## Radio

Commercial radio delivered 5% year-on-year growth in the licence fees paid to PPL. This was a particularly strong performance when viewed in the context of the impact on radio advertising revenues of the Brexit referendum in the second quarter of the year, during which much government-funded advertising was suspended.

PPL continued to take a proactive and visible approach with its industry partners, proudly sponsoring the Radio Academy and the relaunch of its signature awards event, the Arias, in Leeds. We also supported Radio Festival and the Student Radio Association and continued our ongoing support of the Hospital Broadcasting Association.

## New joint community radio licence

In September 2016, following consultation with the market, PPL launched a new joint licence for community radio in conjunction with

*PRS for Music*. This licence provides a simple one-stop approach for community radio stations, who often operate with little administrative support.

## Television

2016 saw commercial television revenues grow by 2%. During this period, the majority of PPL's major broadcaster licensees were locked into longer term deals, not yet subject to renegotiation, and so the growth came from previously agreed annual adjustment mechanisms and fees.

Outside the major broadcasters, past use settlements from two mid-size broadcasters and strong secondary sales figures for UK programming, such as Freemantle's *Britain's Got Talent*, offset lower than expected revenues from licensing the use of recorded music when broadcasters' programming is included in DVDs and downloads to own.

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*Broadcast revenue grew by 2% to £77.4 million.*

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## Public performance and dubbing

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In 2016, the Public Performance Operations (PPO) and Dubbing teams again delivered solid growth. Public performance and dubbing revenue for the year totalled £86.4 million, 2% up on 2015. Public performance revenue contributed £78 million to this total, an increase of £1.7 million, or 2% on 2015. Dubbing revenue, where PPL licenses the commercial copying (dubbing) of music by specialist companies that supply music systems to businesses for the playing of recorded music, contributed £8.4 million.

### Driving results

Public performance saw healthy results driven by the renewal of existing customers' licences, as well licensing thousands of new businesses. We had success through our licensing partners and, in particular, saw an uplift in the fitness industry (where we worked with ukactive, the fitness industry trade body that helps us with licensing fitness centres) and through a new agency agreement covering the licensing of Subway outlets.

A strong contribution was also made by the Business Relationship Executive

team, who ended the year well above 2015's numbers. This team works on a mobile basis around the UK visiting and licensing potential new customers. We also extended our online licensing capabilities to allow more customers to self-serve when buying a licence, including now offering direct debit payments online.

The efforts of the PPO team were supported by innovative and integrated marketing campaigns, trade events and sector-specific PR.

### PPL and PRS for Music joint venture

In early 2016, PPL and PRS for Music announced that a new joint venture would be created to serve the two companies' public performance licensing customers, due to launch in 2017. Creating this single point of contact for our customers will lead to the simplification of obtaining a licence. This joint venture is seeking to underpin a long term commitment to revenue growth and deliver operational efficiencies, together with a better customer experience.

Good progress was made in 2016 on setting up the joint venture.

Competition and Markets Authority clearance was granted, PPL and PRS for Music signed a shareholders' agreement for the joint venture, a location and building were chosen in Leicester, a Managing Director was recruited to start in 2017 and the development of a new joint IT system was started.

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*Public performance and dubbing revenue for the year totalled £86.4 million, 2% up on 2015.*

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# International

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PPL achieved its largest ever annual international collection for members of £48.3 million, up 32% on 2015. We collected revenue from 33 countries in 2016. On a currency neutral basis, international collections grew by 16%.

## International agreements

In 2016, PPL added new international agreements with CMOs in Romania (CREDIDAM), Korea (RIAK) and Brazil (ASSIMI). At the end of 2016, PPL had 82 international agreements across 39 countries.

## International business services

In October 2016, PPL signed an agreement to deliver business services to the Irish music licensing company, PPI, starting in 2017. Under this agreement, PPL will use its IT systems, recordings data, territorial rights data and performer line-up data to calculate distribution allocations for onward payment by PPI, based on the recordings used by PPI's licensees in Ireland. We also provided various back-office services to Audiogest in Portugal, LaIPA in Latvia, AGATA in Lithuania and EFU in Estonia.

## VRDB2

The Virtual Recording Database (VRDB2) project, run by SCAPR (the international umbrella organisation

for performer CMOs) is focused on delivering a far more efficient exchange of performer data and payments between CMOs. PPL has played a leading role in its design and governance since the initiation of the project in 2014. The project achieved a significant milestone in August 2016 when technical development was completed and, by the end of the year, PPL and 10 other CMOs had between them already uploaded 1.3 million recordings into VRBD2 as part of a carefully-phased sequence that continues into 2017.

## Data management

PPL continued to work closely with members and CMOs across the world to maximise the amounts distributed by those CMOs to PPL for onward payment to our members. An important part of this work is rights and data management, an example of which is dealing with double claims.

In the global music market, record companies will often own different rights, in different recordings, across different countries. International recording rights disputes (also known as double claims) occur when two or more recording rightsholders claim overlapping control of a recording.

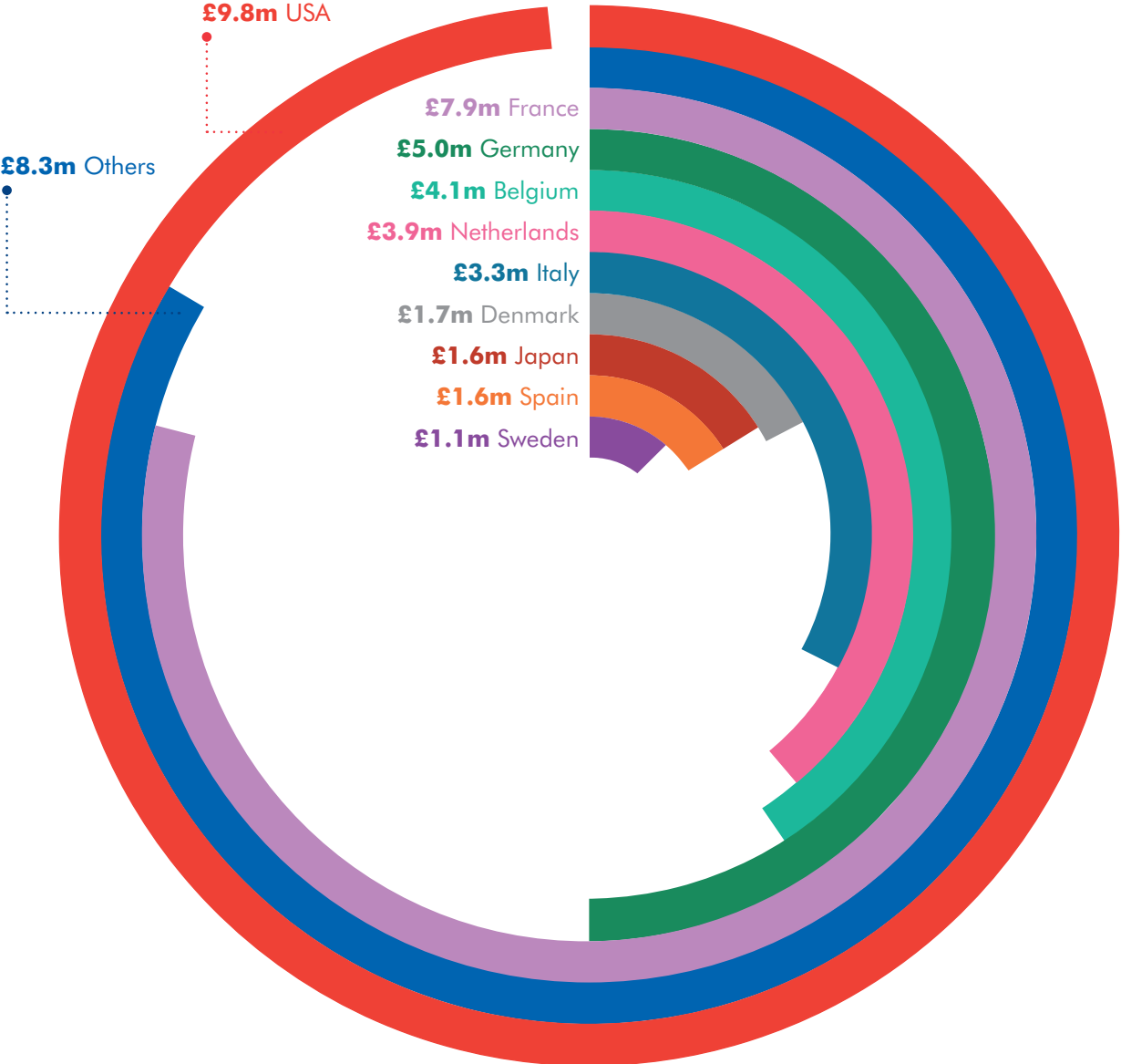
The sheer volumes of data involved, variable data quality across different countries and issues over contractual interpretation mean that double claims are an inevitable challenge within the international collections market. PPL has dedicated resources for managing double claims and, where these are resolved, has a system for storing outcomes on a time, territory and usage basis. This approach means that PPL has increasingly authoritative data in this respect, which helps to underpin our international collections and our service offerings to other CMOs.

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*PPL achieved its largest ever annual international collection for members of £48.3 million, up 32% on 2015.*

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# International revenue by country



# Member Services

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## Member payments

We are proud that, once again, PPL paid out more money to more members than ever before.

At least one payment was made to over 83,000 performers last year, an increase of 28% on 2015; and to almost 10,000 recording rightsholders, an increase of 57% on 2015. These include not just our direct members but also those performers and record companies we represent via the agreements that we have in place with overseas CMOs. We paid out 96% of 2015 collections by the end of 2016.

## Continuous improvements for members

The team is supporting a continuously growing membership with, on average, 500 new members joining every month. In order to further improve the registration process, we introduced 'WalkMe' guided tutorials in 2016. This provides step-by-step guidance and additional help text on each part of the registration forms. As a result, we have seen a marked increase in the number of registration forms completed successfully by new members and a reduction of calls into Member Services.

We made numerous improvements to our systems and processes, all of which will allow us to become more efficient and give us more time to deal with members. For example, we moved our storage of member agreements (including international mandates) onto a single system. This has allowed us to respond to member queries about these topics more quickly and efficiently. The next stage will be to make this information available for members on myPPL. A project to improve the experience for members completing US tax forms has also delivered time savings.

So that we continue to improve our services, we introduced a new internal system for Member Services to streamline quality evaluations across the team. These evaluations measure our content and delivery style when dealing with a member query, to ensure that the required standards are met or exceeded. The new system increases engagement with our Member Services staff by providing them with real time feedback, ensuring our members receive a high quality service. The system also allows our management team to receive clearer

reporting for each member interaction evaluated.

## UK and international outreach

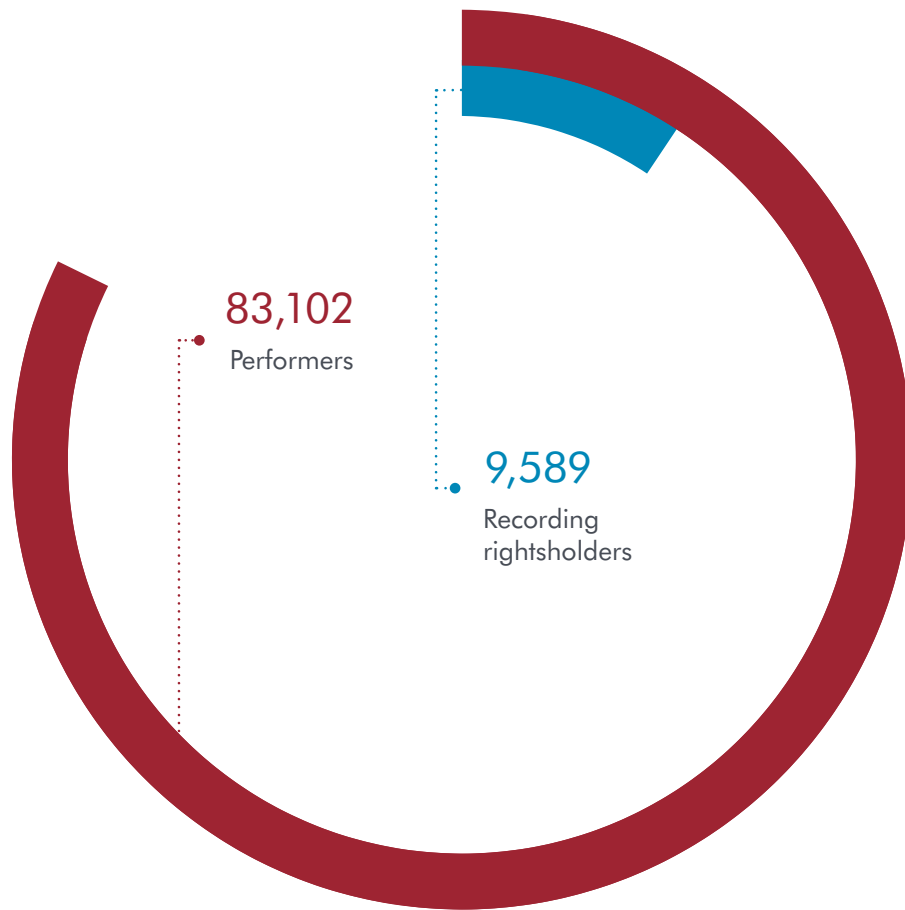
We have continued to strive to meet members both in our office as well as around the UK. Member Services attended over 100 events, conferences, seminars and festivals such as Wide Days in Edinburgh and The Great Escape in Brighton. In addition we ensured that PPL staff were available at international events such as Eurosonic, MIDEM, IAMA Conference and South by SouthWest (SXSW) in the USA. Attending these events has enabled us to meet members face to face and provide personal service when required.

## Striving for excellence

The team assisting our members continued to provide excellent service, as underlined by a 10% increase in customer satisfaction scores from The Member Experience survey, which we send to members who have contacted the team. We were also, for the third time, finalists in the UK Business Awards and UK Customer Experience Awards, in the category of Customer Centric Culture.

## Who we paid in 2016

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# Technology



2016 saw significant milestones achieved across a number of technology initiatives for PPL, all of which will support PPL's continued growth and performance.

## **The launch of the Remix programme**

PPL last undertook major systems' development in 2010-2011. This has proven to be a key enabler for the success of PPL over the subsequent years, to the point where PPL's back-office systems now support the business operations of an additional five CMOs and process several times more data per month than at their inception.

To continue to enable PPL's growth and to take advantage of the availability and cost-efficiency of modern, cloud-based technologies, PPL launched the Remix programme in mid-2016.

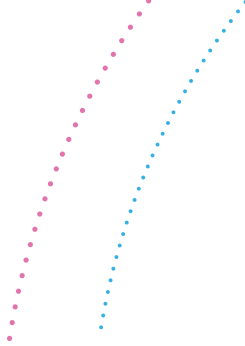
The Remix programme comprises a broad range of projects, which will gradually replace or re-platform PPL's core systems onto newer and more scalable technologies, while continuing to deliver incremental improvements to our services.

Members may already have noticed some of the benefits, such as the integration of DocuSign. Members can now complete certain types of tax forms electronically online, using DocuSign. This means the forms can be completed in minutes and no longer require them to be downloaded, printed, signed, scanned and returned by email. The resulting increase in returned forms demonstrates that members find this a much better experience, and it allows PPL to pay out more US revenue to members without tax being withheld.

PPL staff and members will notice further benefits when Remix delivers more substantial projects through 2017 such as a new member registration portal, improved tools for identifying and associating the performer names that get reported to us during the repertoire registration process and real time integration of our international collection mandates data with the shared International Performer Database.

## **A new technology department**

More organisations than ever before are now creating and managing data about music. This can present both challenges and opportunities for PPL and, in recognition of this, a new department – Insight and Innovation – was created in 2016.



The mission of Insight and Innovation is to ensure that PPL uses data as effectively as possible to empower PPL's staff to make more informed decisions, drive increasingly efficient and targeted ways of working, and streamline data exchange and processes between PPL and our industry partners. Practically, this includes developing analytics services that enable internal staff to work more efficiently through the ever-increasing volume of data that PPL receives and processes every year, driving improvements to the quality of data PPL gathers and holds, and identifying and leading data partnerships with other organisations for the benefit of PPL and our members.

#### **Collaborative data initiatives**

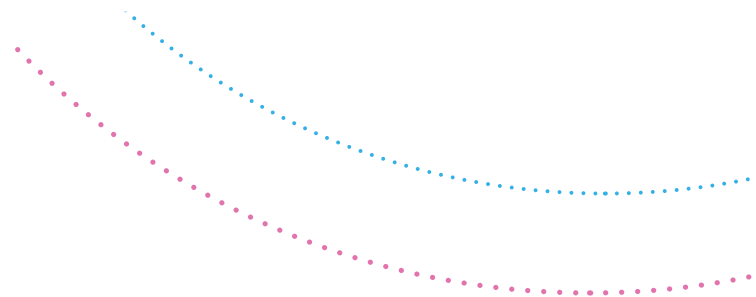
In addition to the major joint venture for public performance licensing that PPL and *PRS for Music* are undertaking,

the last quarter of 2016 saw us begin to work together to address one of the biggest music industry data challenges: the linking of authoritative data about sound recordings to that of musical works, in order to ensure that all rightsholders can be accurately identified and remunerated. In the first exploratory phase of this initiative, 2.4 million of PPL's sound recordings were linked to 1.2 million musical works registered with *PRS for Music*.

Looking ahead to 2017, subsequent phases of this initiative will seek to engage a wider range of organisations and work towards creating a pan-industry resource.



*The mission of Insight and Innovation is to ensure that PPL uses data as effectively as possible.*

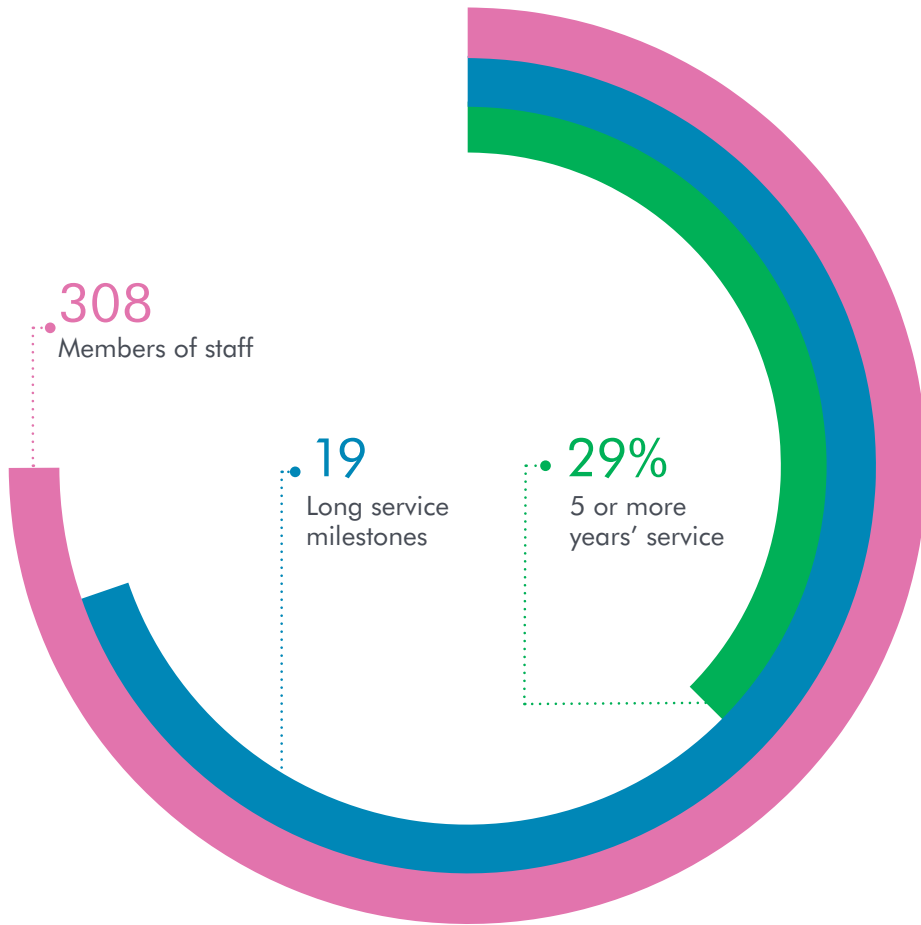


# Our people

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PPL's business is driven by our people. Our people strategy aims to develop and drive positive performance and behaviour across the company, resulting in high levels of retention and engagement.





# Our people

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## Employee engagement

At PPL, employee engagement is a priority. It has been proven to positively impact results, productivity, quality and customer satisfaction. In addition, it contributes to reduced absence and lower staff turnover. PPL won the Company of the Year award in the Small to Medium Business category (for companies of under 500 employees) at the Employee Engagement Awards. We were up against seven other finalists and won this award in recognition of PPL's focus on all of the internal engagement initiatives that have taken place as a result of listening to our employee feedback in the 2015 Employee Survey.

In 2016, across the business, we were finalists in more awards than ever before. We entered 11 awards, reaching the finals in eight of these. As a result of being finalists in the awards, we have been able to promote PPL as an employer of choice.

## Internal communications

We introduced a number of initiatives to promote cross-departmental interaction and open communication to create an engaged workforce. At the start of 2016, we launched PULSE, a

new internal magazine for employees. The new platform not only allowed us to communicate company updates but also share employees' personal stories and music industry news. We encouraged employees to get involved with shaping the news by being part of our internal communication committee known as the PULSE Crew.

In addition to this, we continued holding quarterly events for all staff to share company news, introduce motivational guest speakers and involve PPL's employees in the development of the company strategy.

## Work environment

We undertook an office refurbishment during 2016 in order to create space for additional employees as well as create a more engaging work environment. The refurb allowed us to reconfigure the internal seating layouts, helping to further build relationships amongst internal departments and improve the effectiveness of cross-departmental working.

The creation of a breakout area on one floor now provides an opportunity to host company events in-house or act as a

space for overflow working or meetings. We are now able to hold roadshows, informal stand-ups, company inductions and staff social events, such as music quiz nights and hosting live bands. We also hosted the first UK Music Diversity Taskforce event led by Keith Harris OBE and attended by CEOs, MPs and those working to make the music industry more diverse.

## Quality standards

We were Highly Commended in the Employee Engagement Awards in the Customer Engagement category. This was for the development of our Quality Assurance process, which introduced a more efficient and effective system to monitor and score calls as taken by our staff when dealing with PPL's members and licensees. We further improved our quality standards in both Member Services and PPO to have a greater focus on staff development as well as implementing Scorebuddy, a new quality management system.

# Corporate social responsibility

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PPL is proud of its ongoing dedication to its CSR programme. Whether it is ensuring that PPL donates funds to a number of charities or supports numerous projects through sponsorship, we are 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 2016, the PPL staff voted to support Cancer Research UK, one of the UK's leading cancer charities whose vision it is to bring forward the day when all cancers are cured. Cancer Research UK helps fund scientists, doctors and nurses to help beat cancer sooner. They also provide cancer information to the public.

As part of our fundraising efforts, PPL staff ran and took part in tombolas, cake sales, sweepstakes, music poster sales, various sporting pursuits and even a chilli growing competition. We had staff taking part in Tough Mudder, Shine Night Walk, the Ride London cycle ride and the Reading and Royal Parks half marathons, amongst others.

Our biggest fundraising contributions came from three specific events: Mark Douglas and Matt Phipps-Taylor raised £3,000 cycling across the Pyrenees; Liz Earl organised a Three Peaks challenge and was joined by Chris Barton, Josh Cook, Luke Boyns, Mark Douglas and Jo Tosko, raising £2,500; while Peter Leathem ran a half marathon through the streets of Ealing and completed the 13.1 miles in 1 hour 49 minutes. Peter raised over £10,000 for this event alone.

Through these events we well and truly exceeded our fundraising target of £10,000 and thanks to PPL staff's generosity we raised over £26,400 for Cancer Research UK. We are extremely proud of everyone's achievements.

“

*Thank you to PPL for raising an absolutely exceptional £26,405.41 (including Gift Aid). This amount will cover the cost of a lung cancer trial for two years, which is working to discover if radiotherapy will pack more of a punch to cancer cells and stop the disease coming back after surgery. We are delighted that PPL has absolutely smashed their target!*

”

Ruth Blackwell  
Senior Central Fundraising Executive  
Cancer Research UK



### **Hospital Broadcast Association**

PPL makes an 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](http://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](http://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](http://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](http://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](http://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 late husband, Sir George Martin was a patron, helps young people to appreciate and enjoy music through educational workshops and live orchestral concerts.  
[www.ypcf.co.uk](http://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](http://www.brit.croydon.sch.uk)

# Executive Management Team



**John Smith**  
Chairman



**Peter Leathem**  
Chief Executive Officer



**Christian Barton**  
Finance Director



**Jez Bell**  
Chief Licensing Officer



**Mark Douglas**  
Chief Technology Officer



**Christine Geissmar**  
Operations Director



**David Harmsworth**  
Director of Legal and Business  
Affairs/Company Secretary



**Laurence Oxenbury**  
Director of International



**Kate Reilly**  
Director of People and  
Organisational Development

## Board of Directors

**John F Smith**  
(Chairman) PPL

**Roger Armstrong**  
Ace Records Ltd

**Roxanne de Bastion**  
Performer Director

**Julian French**  
Universal Music Group

**Nick Hartley**  
[PIAS] Group

**Crispin Hunt**  
Performer Director

**Mark Kelly**  
Performer Director

**Peter Leatham**  
PPL

**Martin Mills MBE**  
Beggars Group Ltd

**Christine Payne**  
Performer Director (Equity)

**James Radice**  
Warner Music UK

**Adrian Sear**  
Demon Music Group

**Rt Hon Lord Smith of Finsbury**  
Independent Director

**Michael Smith**  
Sony Music Entertainment UK Ltd

**Peter Stack**  
BMG

**David Stopps**  
Performer Director

**Horace Trubridge**  
Performer Director  
(Musicians' Union)

## Attendees

**Steve Levine**  
Music Producers Guild

**Paul Pacifico**  
AIM

**Geoff Taylor**  
BPI

## 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.







# PPL's 2016 charts

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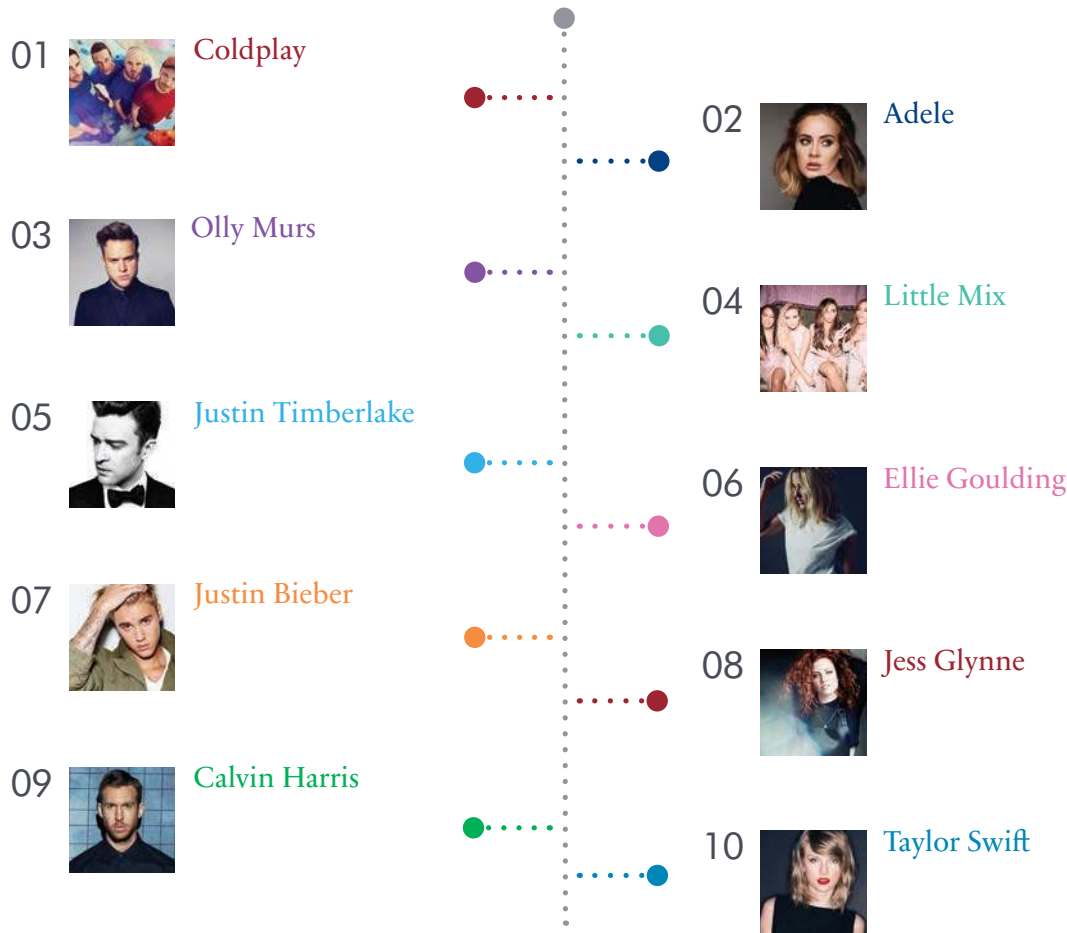
PPL's annual 'most played' charts are compiled from music usage and airplay data from radio stations and television channels as well as public performance locations such as pubs, clubs, bars, jukeboxes and shops all across the UK.

# PPL's most played tracks 2016



Justin Timberlake's awesomely funky *Can't Stop The Feeling* (written for the soundtrack to the film *Trolls*) is our 2016 number one and is certain to be played and loved for many years to come. It marks Timberlake's third appearance in PPL's most played tracks chart. *What Goes Around...Comes Around* was at number 8 in our very first chart back in 2007 and *Mirrors* reached number 3 in 2013. He also reached number 7 in the artist chart in 2013 and is at number 5 this year. Zara Larsson at number 2 with *Lush Life* and DNCE at number 3 with *Cake By The Ocean* both make their debut appearance in any PPL chart.

# PPL's most played artists 2016



Coldplay are top of PPL's most played artists chart in 2016 and, following on from Ed Sheeran last year, ensure that the coveted number one spot is retained by a British act. This is their fourth time in the most played artists chart top ten, which is a real indication of their popularity, longevity and, of course, their supreme talent. It's not the first time they have been number one, having achieved the top spot in 2012. Back then, their success came with tracks such as *Paradise* and *Princess of China*. Now it is the likes of *Hymn For The Weekend* and *Adventure Of A Lifetime* that will ensure their success and popularity is certain to continue for a long time to come. The band fought off stiff opposition from Adele and Olly Murs – both of whom have topped this chart in the past.

# Credits

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

## Photography

Page 7: John Smith, Chairman

Page 8: Peter Leathem, CEO

Page 38: Executive Management Team

All Dolly Clew

Page 42

Entry 5: Danny Clinch

Entry 6: Julia Kennedy

Page 43

Entry 3: Simon Emmett

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