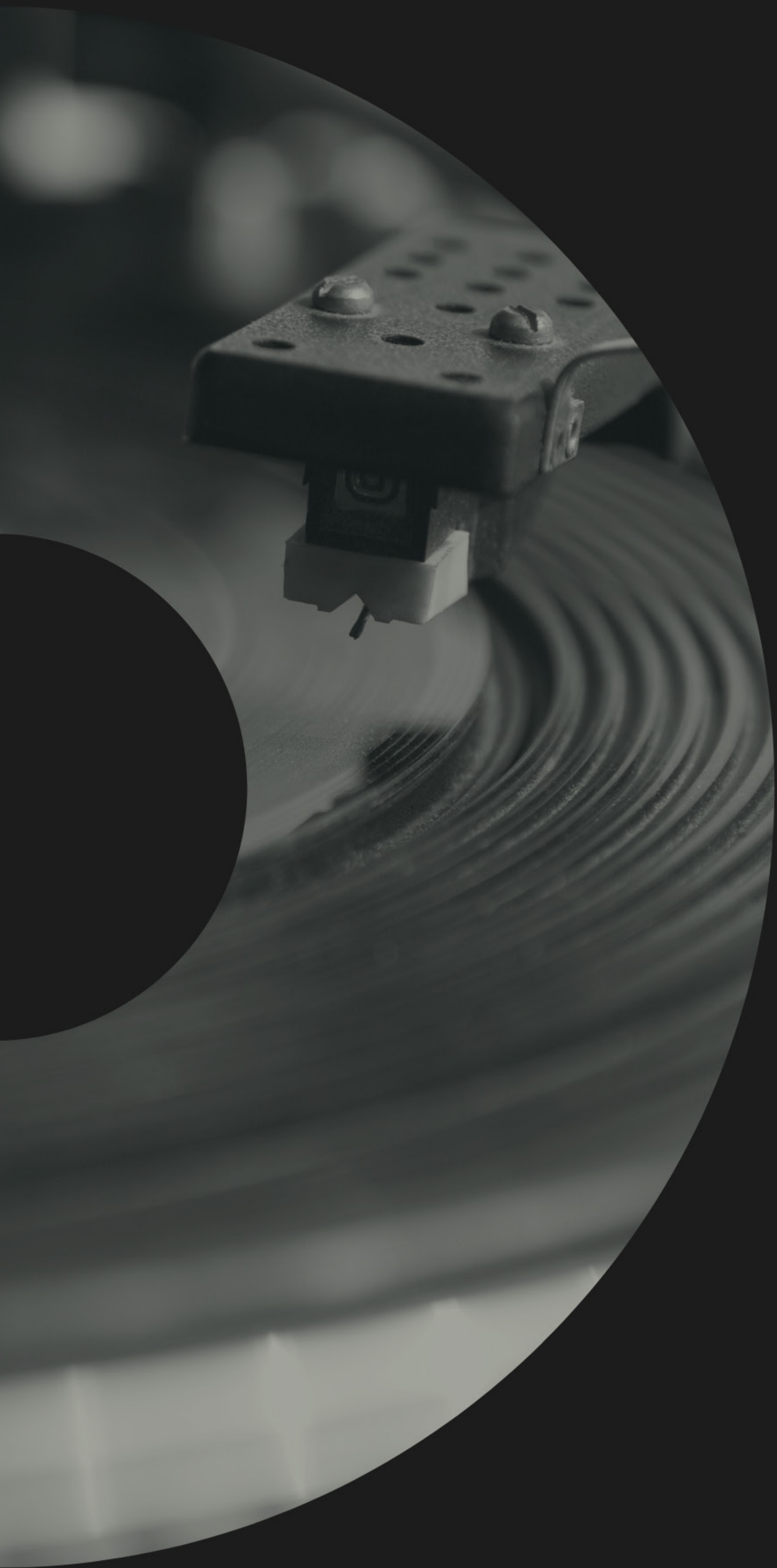


ANNUAL REPORT 2024

CONTENTS

HIGHLIGHTS

PPCA licensors and registered artists and groups continued to increase in 2023-2024, maintaining our unbroken succession of growth in that area since 1990. As the economic impact of COVID continued to ease, revenues rose in 2023/2024. The distributable surplus was slightly lower than the previous year, as a consequence of the investment in key Copyright Tribunal matters.

- Income up by 7.9% to $62,115,954
- Distribution down by 1% at $48,376,344

Revenue Generated

$62,115,954

Cost to Income ratio

22.1%

Public Performance Revenue

$35,929,310

Number of Licensors

4,170

Broadcast & Online Revenue

$23,450,297

Number of Registered Artists

5,642

Net Distributable Revenue

$48,376,344

CHAIRMAN'S REPORT

I am very pleased to present this year's PPCA Chair report.

It is very encouraging to see further post-COVID improvements. The December 2023 distribution of just under $48.7M was 23% higher than the previous distribution, and the positive trend in public performance income continued throughout the 2023/24 financial year, with overall revenue reaching $62.1M. This was 7.9% higher than the previous financial year. The distributable surplus for 2023/24, due for distribution in December, is slightly down on the previous year at $48.4M, with that slight reduction driven by the costs of the two Tribunal cases currently on foot. It is particularly pleasing to see the continuing growth in public performance revenue, demonstrating the benefits of the OneMusic Australia initiative as it reaches its five year anniversary.

Key activity in 2024 centred around lobbying for legislative changes to remove the longstanding radio caps. We continued the Radio Fair Play campaign, and commissioned an economic report from Mandala Consulting which further highlighted the inequity of these discriminatory caps.

We welcomed the private member bill put forward by Senator David Pocock and, uniting with the rest of the music industry, presented evidence at the resulting Fair Pay for Radio Play Bill hearings before the Senate Legal and Constitutional Affairs Committee in March.

During the year we continued to work alongside APRA to finalise a joint OneMusic Scheme for the use of music (recordings and works) at events (including ticketed music events and festivals) and I am pleased to report that process has now concluded, and the newly agreed scheme is being rolled out across the sector.

The active Copyright Tribunal matters for both Commercial Radio and Free TV required significant focus for the organisation, and are now scheduled to be heard in May (radio) and October (television) 2025.

The management of these matters, and preparation for the respective hearings in 2025, will continue to be key activities throughout calendar year 2025.

PPCA continued to work closely with Music Australia, and was pleased to welcome the launch of Music Australia's Record Label Development Scheme in October.

We have been able to continue to support Australian artists through relationships with, amongst others, Support Act Limited (the music industry benevolent scheme) and Sounds Australia. We also continued the encouragement of developing artists through our sponsorship of the Breakthrough Artist Awards at the AIR Awards, for the seventh consecutive year. PPCA also partnered with ARIA to once again present the Best Independent Release award at the 2023 ARIA Awards, and will continue that partnership at the upcoming 2024 ARIA Awards.

During the period significant work was done to consider the best options for enhancing PPCA's back office systems. Ultimately a decision was reached to leverage back office services offered by sister society PPL UK. Under these arrangements, which will commence in 2025, the PPCA team will continue to service all Licensors and Registered Artists directly but have access to PPL systems.

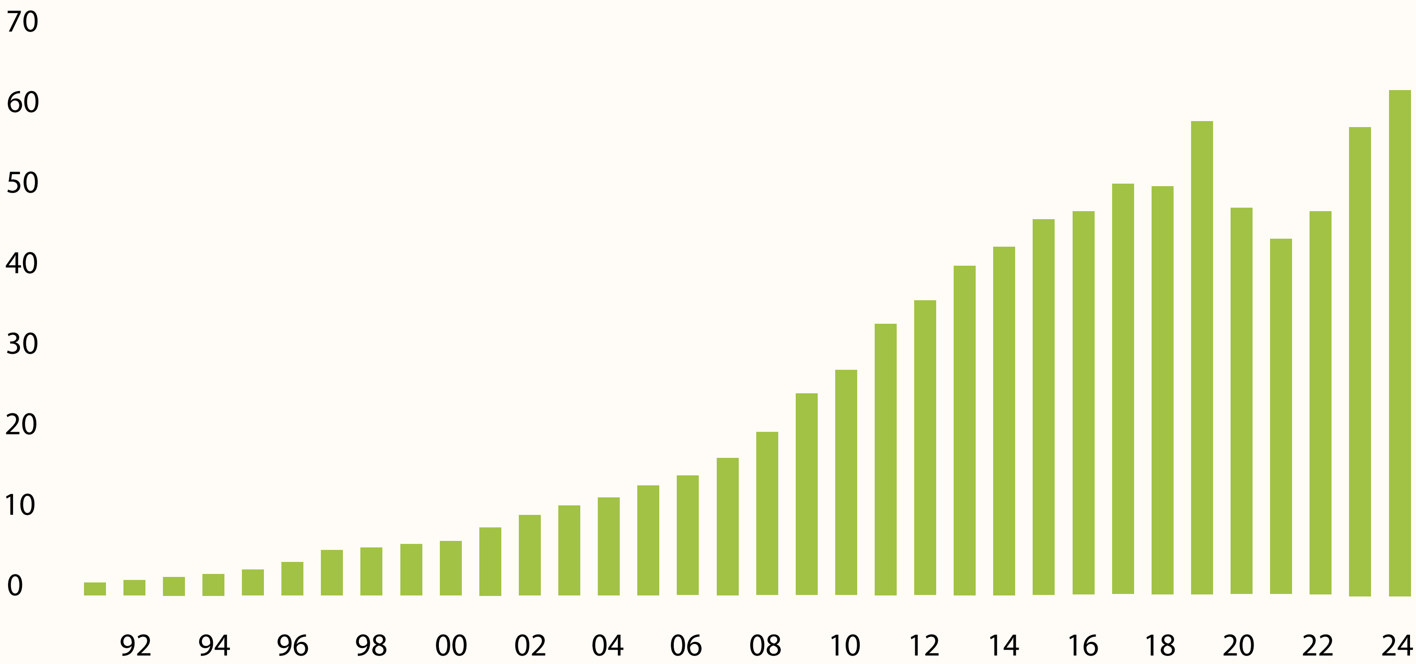
The PPCA's Board Observership Program continued this year, and we welcomed Kristin Churley (from PPCA Licensor Unified Music Group) and Rae Leigh (PPCA Registered Artist). I'd like to thank Kristin and Rae for their contribution during 2024, and look forward to continuing the initiative again in 2025, to help build capability and diversity across the industry.

Finally, I would like to extend my thanks to the Board, Annabelle and all PPCA staff for their efforts this year. It has been a pleasure to work with you all again and I look forward to continuing to do so in 2025.

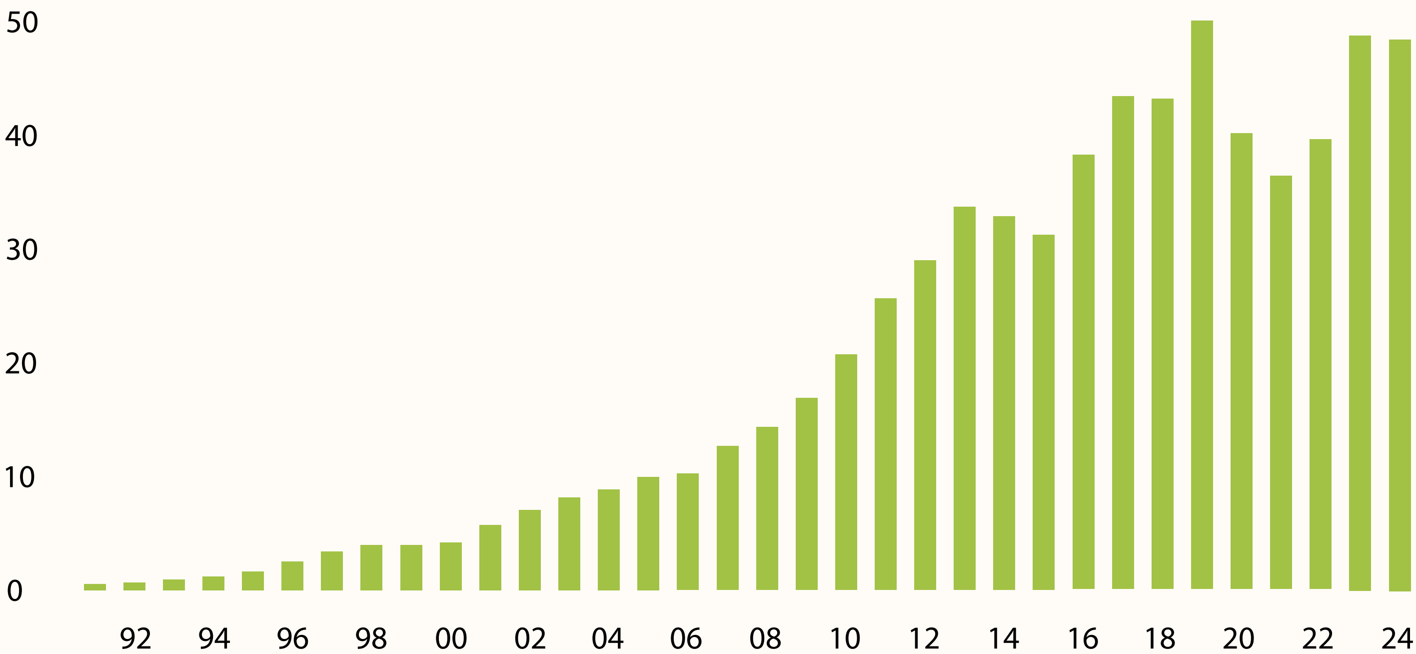
Josh Pyke
November 2024

SUMMARY

Gross Revenue (Millions)



Distribution (Millions)



THE COMPANY

Registered office	Level 4, 11-17 Buckingham Street, Surry Hills, NSW 2010 A. C. N. 000 680 704
Bankers	Commonwealth Bank of Australia
Solicitors	Gilbert + Tobin
Auditors	Pitcher Partners Sydney

Executive Secretariat

Annabelle Herd
Chief Executive Officer

Lynne Small
Chief Operating Officer

Linda Courtney
Manager, Distribution

Alistair Alderson
Manager, Business Technologies

Julia Robinson
Head of Policy and Advocacy

Rohini Sivakumar
Corporate Counsel – Commercial

Directors

Duncan Collins
Licensor Representative Board Member

Bill Cullen
PPCA Board Member

Vanessa Picken
PPCA Board Member

Josh Pyke
PPCA Artist Representative Board Member

Dan Rosen
PPCA Board Member

Sean Warner
PPCA Board Member

Kristy Gostelow
PPCA Licensor Representative Board Member

Jen Cloher
PPCA Artist Representative Board Member

BOARD MEMBERS

Duncan Collins
Licensor Representative Board Member

Duncan Collins is the Chief Operating Officer of TMRW Music Group, one of Australia's largest independent entertainment groups. With a career spanning 20 years across the UK, Europe and Australia, he has been on the frontline of some of the biggest clubs in the world, as well as at the helm of one of the UK's most successful ever independent record companies, Ministry of Sound.

Having moved to Australia in 2011, he now works hand in hand with Tim McGee running a group of independent music companies covering recordings, publishing, live events, artist management and venue management under the TMRW banner. Across the companies they represent notable artists including Fisher, KLP, Pnau, Savage and Hot Dub Time Machine, as well as brands such as Ministry of Sound.

He is very passionate about Australian recorded music and festivals, artist rights and independent musicians.

Bill Cullen
PPCA Board Member

Bill is the Managing Director of One Louder Entertainment, the management home to Paul Kelly, Kate Miller-Heidke, Neil Finn, Alex The Astronaut, Kim Churchill and Ball Park Music.

He has been involved in the music business since leaving school, and did a long stretch working with Grant Thomas Management, working with acts such as Crowded House and The Rockmelons. A five year stint in London followed, where he worked with the legendary Pete Jenner (manager of Pink Floyd, The Clash, Billy Bragg etc.), before going on to co-manage New Zealand act OMC (How Bizarre) who went on to a number one single and gold album in the US. He returned to Australia in 1999, and established One Louder, and has since had gold plus success with Alex Lloyd, George, Amiel, Sarah Blasko, Kate Miller-Heidke, End Of Fashion and Paul Kelly.

Vanessa Picken

PPCA Board Member

Vanessa Picken is the CEO and Chair of Sony Music Entertainment Australia and New Zealand.

Vanessa brings over 15 years' experience in both the independent and major label music worlds and melds her passion for music with a razor-sharp focus on the intersection between audience, marketing and digital-led technology.

From the outset, Picken's focus has been global, whether it be studying International Business at the University of Technology in Sydney or working for telecommunications giants Nokia and T-Mobile after finishing her studies. After her time in telecommunications, Vanessa moved into music where she progressed through the ranks of EMI Australia to become the Digital Marketing Manager and, a year later, the Global Account Manager. A desire to challenge herself professionally saw her leave EMI in 2011 to found a label services business (before that term even existed) that would morph into global digital agency Comes With Fries in 2013.

In 2019, Picken moved from Sydney to Los Angeles to become Head of Digital at [PIAS] across America, Asia, Australia and New Zealand. Restructuring their digital workings across those regions paved the way for her to take on the Global Digital Strategy role in 2020 and, a year later, become Managing Director of the label.

Having returned to Australia midway through 2022 to head up Sony Music in Australia and New Zealand, Picken is the first woman to become a CEO and Chair of one of Australia's major labels.

In addition to her role at Sony Music Australia and New Zealand, Picken is also a Board member of the Sony Foundation, which is dedicated to improving the health and wellbeing of young Australians in need. Picken also remains in her role as the CEO of Comes With Fries, having grown the company outside of Australia to open offices in Los Angeles and London, giving her a first-hand understanding of the machinations of different global music market forces.

Josh Pyke
PPCA Artist Representative Board Member

Acclaimed multi-ARIA Award winning acoustic troubadour Josh Pyke is one of Australia's most respected and successful musicians, with an extensive career that has taken him across the country and around the world.

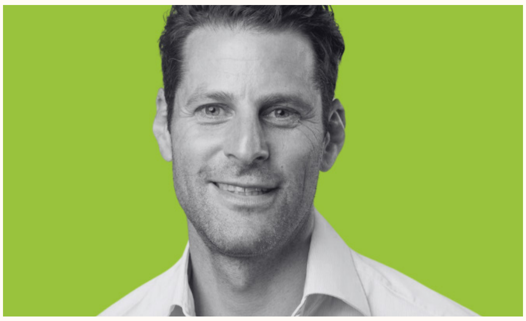
Josh has released 5 ARIA top ten solo albums, and won 4 ARIA's in a career that has spanned over 12 years.

Most recently, Pyke realised a long held dream in early 2015 when he played two special Sold Out shows at the Sydney Opera House backed by the Sydney Symphony Orchestra. The live recordings of this performance was released in 2016 and had 3 weeks at #1 on the ARIA Classical charts, and went on to win an ARIA in the 2016 ARIA awards.

Josh has always used his public position to remain a staunch advocate for the arts. With his work as an ambassador for APRA/AMCOS, the Indigenous Literacy Foundation, as well as his own project for young musicians, The Josh Pyke Partnership, Pyke has endeavored to not only raise funds and awareness for the arts, but offer his insights and mentorship from his experience as a working musician.

Josh was elected as Artist Representative to the PPCA Board in early 2016, has been re-elected at the conclusion of each two year term, and in early 2023 was appointed PPCA Chair.

Dan Rosen
PPCA Board Member



Dan Rosen is the President of Warner Music Australasia. He is a lawyer, policy advisor, musician and a key advocate for Australian artists and the music industry.

Prior to starting at Warner, Rosen served as the Chief Executive of ARIA and PPCA for a decade, the peak industry bodies for the Australian music industry. Before joining ARIA and PPCA, Rosen was based in New York working as Head of Americas for ROO Media, a NASDAQ listed digital media company. Rosen is a Fulbright Scholar who completed his Masters of Law and Business at New York University.

Before leaving for the States, Rosen worked as an Advisor to the Federal Minister of Communications, Richard Alston, after starting his career as a lawyer, specialising in media and technology, with Minter Ellison.

As an artist his band Second Dan notably won Triple J's Unearthed competition in 2003, and went on to independently release two albums and toured throughout the US and Australia.

Dan Rosen is a passionate voice for creative communities both at home and abroad, as a Director of Creative Partnerships Australia, Member of the Australian Government's Creative Industries Taskforce, former Advisory Board member of the National Indigenous Music Awards, former Chair of the NSW Creative Industries Taskforce and member of the Victorian Government's Creative Victoria Taskforce and most recently being at the forefront in advocating for Government support for the music and entertainment industries through the COVID pandemic.

Sean Warner
PPCA Board Member

Sean Warner is President, Universal Music Australia & New Zealand, a division of Universal Music Group.

Prior to becoming President in January 2023, Sean played an integral role in the commercial growth and success of UMA. He has been an active member of the company's senior executive management team; most recently, he held the strategic role of Senior Vice President of Commercial, responsible for commercial growth, innovation, and digital development for UMA & New Zealand. Sean has led the company's commercial business for over 15 years, from physical sales to streaming, in addition to overseeing business strategy in Southeast Asia (SEA), launching Bravado's merchandise and licensing operations in the Australia & New Zealand (ANZ) region, and developing UMA's eCommerce business.

Prior to UMA, Sean held senior roles across Music, Media and Entertainment organisations, including BMG Interactive, Sony PlayStation, DMX Music and Foxtel; a career launched by his studies in Commerce, majoring in Accounting and Law. Sean is the Chair of the AMTD Fundraising committee for the music charity organisation Support Act and is a passionate fan of Australian music and artists.

Sean is committed to continuing to build UMA as the number one home for artists and championing music culture across Australasia.

Kristy Gostelow
PPCA Licensor Representative Board Member

Director of Kadence Group, offering Artist Management, Music Business Mentoring and Grant Writing Services and Managing Director of Lovely Records.

I've held senior management positions in various fields across Corporate, Government, and Non-Profit. I've managed teams, budgets, training, government contracts, events and sponsorship deals from education and training to finance, business development to youth work and within the music industry over the last 10 years.

Proud to have been awarded the 2021 APRA Lighthouse Award, Australia Day Award for Community Development and nominated for Young Business Person of the Year for Queensland's AIM Awards.

Our roster of artists includes AODHAN, BUSBY MAROU and TIA GOSTELOW.

Jen Cloher
PPCA Artist Representative Board Member

My name is Jen Cloher and I am a songwriter and performer based in Naarm (Melbourne). Since graduating from NIDA in 1995 I have built an enduring career in the arts. My first studio album was nominated for an ARIA Award and my self-titled 2017 release won both the Double J and AIR Award for Best Independent Artist. My fifth album I Am The River, The River Is Me (2023) was recently nominated for an ARIA Award, shortlisted for the Australian Music Prize and won Best Solo Artist at the Music Victoria Awards. In 2012 I co-founded the Milk! Records label with Grammy nominated artist Courtney Barnett. Milk! Records is now home to many women and non-binary artists both in Australia and around the world. For the past decade I have facilitated I Manage My Music, a masterclass series for self managed artists. I am a strong advocate for artist rights and the empowerment of First Nations, POC and LGBTIQ+ voices in music culture. One of my core responsibilities as a mid career artist is to make sure the industry we work in is transparent and accountable to its most precious resource the next generation of artists coming up. Without us there is no industry.

MANAGEMENT REPORT

Financial

The financial results for the year ending June 2024 showed, as anticipated, pleasing increases in overall revenue. Most notably, and continuing to demonstrate the post-COVID recovery, public performance revenue increased by almost 8% when compared to the previous year.

The bulk of the licence revenue for 2023/2024, at almost $59.4M, fell into 3 key categories:

- Broadcasters ($18.9M)
- Public Performance ($33.7M)
- Communication ($6.8M)

The expense to revenue ratio was 22.1%, compared to 15.4% for the previous financial year. This increase is caused by the significant investment in, and concurrent timing of, our two current Copyright Tribunal matters. PPCA's expense to revenue ratio for the 2024 financial year, excluding expenditure on those matters, would have been just over 14%.

As advised in previous reports those two Tribunal matters relate to licence schemes for (i) the Free to Air (FTA) Commercial Television sector, and (ii) Commercial Radio broadcasting. The FTA scheme was referred to the Tribunal by the broadcasters' peak body, Free TV , in late December 2022. The hearing had been scheduled to take place in October 2024 but, unfortunately, due to some slippage in the timetable and the limited availability of the Tribunal, that hearing is now scheduled for October 2025.

In May 2023, as the parties were unable to agree to arrangements, PPCA referred its proposed licence scheme for Commercial Radio broadcasting to the Tribunal, and that hearing is scheduled to take place in May 2025.

Much work has been done on both of these matters during the 2024 financial year, and we continue to prepare to advocate before the Tribunal on the value and importance of sound recordings to both commercial radio and television broadcasters.

OneMusic Australia

OneMusic Australia (OMA) is the joint licensing initiative of PPCA and APRA AMCOS, which provides blanket licences that cover rights for both sound recordings and musical works. Intended to simplify the process of obtaining licences to publicly perform music, it provides a simplified "one stop" shop for information and advice on music licences, and comprehensive online resources allowing music users to review options, get quotes, acquire and then pay for their music licences in a streamlined way.

OMA has now been operating for over five years, and APRA AMCOS and PPCA continue to work closely to ensure the joint licences evolve to address the changing needs of music users.

Distributions

The PPCA Distribution for FY2024 was made in late December 2024. A very similar amount to the previous year, at just under $48.4M, was distributed to PPCA Licensors and Registered Artists, with approximately 18% directed to PPCA Licensors and Registered Artists based overseas. Of the total distributable surplus just under 0.75% was directed towards charitable, educative and like grants.

PPCA's stakeholder numbers continued to grow and at the end of June 2024 stood at 4,170 Licensors and 5,642 artists registered under PPCA's Artist Direct Distribution Scheme. PPCA's licensors cover a diverse range of industry participants, ranging from individual artists who control their master recordings to major multinational record labels, and including independent labels of all sizes and specialist rights management entities.

An increased number of licensors and artists are now registered for PPCA's online portal, and use the facility to update their details (including payment details) and access distribution statements and related paperwork, for current and prior years. During the coming year we will be migrating our portal users to a new platform which will also allow them to view their current repertoire claims and lodge amendments or additions.

Music Community Support

PPCA has continued its longstanding support of the Australian recording industry through its partnerships and initiatives with other organisations, including Sounds Australia, Support Act, the Australian Independent Record Labels Association (AIR), the Arts Law Centre of Australia, the Copyright Council of Australia, the Australian Songwriters Association Awards and the Association of Artist Managers (AAM).

Board Observership Program

In 2022, in partnership with The Observership Program (TOP), PPCA launched its board observership program. TOP was founded in 2014 to facilitate practical experience and ongoing networking opportunities to create a passionate community of future leaders. PPCA's involvement aims to help build capability across the industry by exposing talented individuals to the decision making and operations of the PPCA Board. This aligns with the Board's desire to enhance the diversity and inclusiveness of boards across the Australian music industry. To date the PPCA program has focused on women and First Nations participants, but in 2025 will broaden the program to consider all applicants from under represented groups within the industry. The two successful applicants will be announced in late January, and be invited to attend all Board meetings conducted during the 2025 calendar year, as well as participating in the broader program of educational and networking activities delivered by TOP.

Advocacy

Throughout the reporting period PPCA continued to actively advocate for its licensors and registered artists on matters impacting both them and the broader industry. Key topics included copyright, funding, strategic development, AI and cultural change.

A key issue of focus was the perennial "radio cap" problem. In our 2023 report we provided an update on the reinvigoration of the campaign to have those caps removed, and the private members bill (titled Copyright Legislation Amendment (Fair Play for Radio Play) Bill 2023) introduced by Senator David Pocock in August 2023. The Bill, if passed, would remove the anachronistic caps and allow PPCA to enter into negotiations with the ABC and Commercial Radio to determine a proper market rate. The Bill was referred to the Senate Legal and Constitutional Affairs Committee for review, and hearings were conducted in Canberra in March 2024.

We were delighted to have the support of a range of industry bodies, including ARIA, AIR and the AAM, all of whom had representatives travel to Canberra to appear before the Committee. We were also supported by registered artists Paul Dempsey, Mark Seymour and Holly Rankin, who were able to explain the impact of the caps from a recording artist's perspective, and respond directly to questions from members of the Committee.

In late June 2024 the Committee released its report, with the Majority Report recommendation that "the committee considers that the federal government should conduct a cost benefit analysis of removing the caps and the impact such changes would have on the distribution of funds to artist and creators before any decision is made about removing them". The Greens and Senator Pocock supported passage of the Bill in dissenting reports. We continue to engage with government on this issue, and look forward to the Government's response to the Committee Report.

In May 2024 PPCA CEO Annabelle Herd was invited to join the Steering Committee of the Attorney-General's Copyright and Artificial Intelligence Reference Group (CAIRG). Twenty leaders from the creative industries and academia were selected to form the steering group for CAIRG, which is made up of 61 organisations across tech, higher education and other peak creator rights bodies including APRA, AMCOS, ARIA, Copyright Agency and Screenrights. The Attorney-General's website notes that the CAIRG has been "established to facilitate engagement, information sharing and open discussion between government and non-government sectors on current and emerging copyright – AI issues to better prepare Australia for copyright challenges emerging from AI".

We will continue to work across all sectors of government to ensure that the rights of, and impacts on, creators are taken into account as the government considers its approach to AI.

We are preparing for the federal election which will take place in the first part of 2025, and will work collaboratively with other peak representative groups across the industry in order to most effectively advocate for those who create, and invest in, recordings.

Communications

During the 2023/2024 period PPCA continued its awareness-raising activities, to promote its role in the industry and, in particular, encourage artists and rights owners to register their repertoire.

Examples of those activities include:

- Support of Australian artists, through strong relationships with – amongst others – Support Act Limited and Sounds Australia;
- Encouragement of developing artists through our sponsorship of the Breakthrough Artist Award at the annual AIR Awards, for the 8th consecutive year.
- Sponsorship of the ARIA - Best Independent Release award.
- Attendance at Indie Con 2024 in Adelaide, where members of the PPCA team made themselves available throughout the conference to meet with attendees, answer their questions, and help with the "sign up" and "register repertoire" processes.
- Providing up to date information, sometimes including bespoke information sessions, on funding opportunities for recording artists.

- Funding the Arts Law Centre of Australia, in order for it to provide free independent legal advice on PPCA's input arrangements, and the development of direct licensing policies.

PPCA's online presence continues to expand, with increased activity on its website and social channels. PPCA encourages all stakeholders to follow its social channels for upates on important information, including grant funding opportunities and registration deadlines and, of course, developments in our key Radio Fair Play campaign.

Code of Conduct

PPCA was involved in the development of the voluntary Code of Conduct for Collecting Societies (the Code), and is a founding subscriber. The Code was developed by the various Australian collecting societies, and came into effect in July 2002. Each year the compliance of each society with the Code is assessed by an independent Code Compliance Reviewer – currently Hon Dr Kevin Lindgren AM QC. The form and content of the Code itself is reviewed every three years, with the most recent review taking place in 2022 by the Hon Alan Robertson SC. Both the annual compliance review and the periodic Code review are undertaken independently, and involve public consultation.

The Code has its own website, which acts as a central repository for easy public access of all annual compliance and triennial code review reports, together with the annual compliance submissions of each collecting society. All material relating to the Code can also be found on PPCA's own website, from a link in the footer of each web page.

The report prepared by Dr Lindgren, on the compliance of each society during the 2024 financial year, was made public in November 2024 and concludes that there has been a high level of compliance with the Code.

The year ahead….

2025 will again be a busy year for PPCA, with the Copyright Tribunal considering licensing schemes for two important PPCA licensing sectors – commercial radio, and commercial free-to-air television. We hope that the relevant decisions will be finalised and updated schemes implemented by the end of the 2026 financial year.

As our licensors and registered artists have already been advised, PPCA is working closely with its UK sister society, PPL, to begin using PPL's back office systems for repertoire and claims management and distribution allocations and processing. The arrangement is for use of systems only, and PPCA staff will continue to oversee and undertake all processes, and maintain direct relationships with our licensors and artists. This will allow PPCA to take advantage of the significantly greater resources available to PPL for ongoing systems development and maintenance, and help to de-risk our own operations. We will be contacting licensors and registered artists over coming months with more information on this important transition.

Other strategic priorities include revenue growth, and advocacy on issues important to our members, such as copyright protection, the impact of AI, and industry support. As ever, the removal of the radio caps remains a key strategic objective.

For ongoing updates on all things PPCA please visit our website, and connect with us via **Facebook**, **X (Twitter)**, **Instagram** and **LinkedIn.**

SPECIAL PURPOSES FINANCE REPORT

For the financial year ended 30 June 2024

DIRECTOR'S REPORT

The directors of Phonographic Performance Company of Australia Limited submit herewith the annual financial report of the company for the financial year ended 30 June 2024. In order to comply with the provisions of the *Corporations Act 2001*, the directors report is as follows:

Information about the directors and senior management

The names and particulars of the directors of the company during or since the end of the financial year are:

Name	Particulars
Elizabeth Ann Blakey	(Alternate for Danny Rosen); Business Affairs Director, Record Company
Jennifer Mary Cloher	Independent Artist
Duncan Collins	Chief Operating Officer, Record Company
David William De Barran Cullen	Director, Management Company
Dario Forato	(Alternate for Sean Warner) Chief Financial Officer, Record Company
Kristy Jane Gostelow	Managing Director, Record Company
Vanessa Picken	Chief Executive Officer, Record Company
Gordon James Pitt	(Alternate for Vanessa Picken) General Manager, Legal & Business Affairs, Record Company
Joshua Jon Pyke	Independent Artist
Danny Rosen	President, Record Company
JoAnne Kerry-Lea Volta	Independent Artist
Sean Warner	President, Record Company

The above named directors held office during the whole of the financial year and since the end of the financial year, except for:

Kristy Jane Gostelow	Appointed 1 July 2023

JoAnne Kerry-Lea Volta	Resigned 31 December 2023
Jennifer Mary Cloher	Appointed 13 March 2024

Company secretary

Ms Lynne Maree Small, Certified Practising Accountant, held the position of company secretary of Phonographic Performance Company of Australia Limited during and since the end of the financial year. She joined Phonographic Performance Company of Australia Limited in 1996 and was appointed company secretary on 16 May 1997.

Principal activities

The principal activity of the company in the course of the financial year was acting for the copyright owners in the licensing throughout Australia of the broadcast, communication and public performance of sound recordings and music video clips.

During the financial year there was no significant change in the nature of those activities.

Review of operations

The company's distribution to its licensors in relation to the current year was $48,376,344 (2023: $48,692,153).

The company's results for the financial year ended 30 June 2024 was a profit of $nil (2023: $nil).

Significant changes in state of affairs

There were no significant changes in the state of affairs of the company during the financial year.

Matters subsequent to the end of the financial year

There has not been any matter or circumstance, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Future developments

Disclosure of information regarding likely developments in the operations of the company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the company. Accordingly, this information has not been disclosed in this report.

Environmental regulations

The company's operations are not subject to any particular and significant environmental regulations under any State or Federal laws.

Dividend

The company is a not-for-profit company and is prohibited from paying a dividend by its constitution.

Indemnification of officers and auditors

During the financial year, the company paid a premium in respect of a contract insuring the directors of the company (as named above), the company secretary, Lynne Maree Small, and all executive officers of the company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The company has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

Distribution

The annual surplus to be distributed in accordance with the Company's distribution policy is $48,376,344.

Directors' Meetings

The following table sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director (while they were a director). During the financial year, 5 board meetings were held.

Board of Directors	Eligible to attend	Attended
Elizabeth Blakey (alternate for Danny Rosen)	1	1
Jennifer Mary Cloher	2	0
Duncan Collins	5	4
David William De Barran Cullen	5	5
Dario Forato (alternate)	1	1
Kristy Jane Gostelow	5	5
Vanessa Picken	5	5

Gordon James Pitt (alternate)	-	-
Joshua Jon Pyke	5	5
Danny Rosen	5	4
JoAnne Kerry-Lea Volta	3	3
Sean Warner	5	4

Proceedings on behalf of the Company

No person has applied to the Court under section 247 of the *Corporation Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 247 of the *Corporation Act 2001.*

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4 of the annual report.

This directors' report is signed in accordance with a resolution of directors made pursuant to section 298(2)(a) of the *Corporations Act 2001.*

On behalf of the Directors

Joshua Jon Pyke
Director
1 October 2024
Sydney

AUDITOR'S INDEPENDENCE DECLARATION

I declare that to the best of my knowledge and belief, during the year ended 30 June 2024 there have been no contraventions of:

i. The auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; or

ii. Any applicable code of professional conduct in relation to the audit.

Melissa Alexander
Partner

Pitcher Partners
Sydney

1 October 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 June 2024

	Note	2024$	2023$
Revenue	5	59,632,160	56,115,188
Interest revenue calculated using the effective interest rate method		2,728,486	1,680,849
Subscription fees paid or payable to the International Federation of the Phonographic Industry		(437,676)	(408,257)
Employee benefits expense		(2,913,779)	(2,712,212)
Depreciation and amortisation expense		(704,914)	(837,353)
Finance costs		(48,350)	(10,833)
Distribution to licensors		(48,376,344)	(48,692,153)
Legal expenses		(5,010,840)	(720,353)
Public performance commissions		(3,562,057)	(3,293,269)
Other expenses		(1,306,686)	(1,121,607)
Profit before income tax expense		-	-
Income tax expense	6	-	-
Profit after income tax expense		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		-	-

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

As of 30 June 2024

		Note	2024$	2023$
Current assets	Cash and cash equivalents	7	1,167,250	938,279
	Trade and other receivables	8	4,063,846	3,824,249
	Other financial assets	9	62,645,750	63,595,750
Total current assets			67,876,846	68,358,278
Non-current assets	Property, plant and equipment	10	239,567	384,609
	Right-of-use assets	11	485,823	1,015,813
Total non-current assets			725,390	1,400,422
Total assets			68,602,236	69,758,700
Current liabilities	Trade and other payables	12	67,470,895	68,146,954
	Right-of-use liabilities	13	511,842	507,447
	Employee benefits	14	566,577	577,255
Total current liabilities			68,549,314	69,231,656
Non-current assets	Right-of-use liabilities	13	-	511,842
	Employee benefits	14	52,913	15,193
Total non-current liabilities			52,913	527,035
Total liabilities			68,602,227	69,758,691
Net assets			9	9
Equity	Issued capital	15	9	9
Total equity			9	9

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGE IN EQUITY

For the financial year ended 30 June 2024

	Share capital $	Retained earnings $	Total $
Balance as at 1 July 2022	9	-	9
Total comprehensive income for the year	-	-	-
Balance as at 30 June 2023	9	-	9
Total comprehensive income for the year	-	-	-
Balance as at 30 June 2024	9	-	9

-	-
-	-

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2024

		Note	2024$	2023$
Cash flows from operating activities	Receipts from customers		65,279,922	61,173,871
	Payments to suppliers and employees		(19,601,207)	(9,805,924)
	Distributions to licensors		(48,542,551)	(39,641,799)
	Interest paid		(48,350)	(10,833)
	Net cash (used in) / provided by operating activities		(2,912,186)	11,715,315
Cash flows from investing activities	Interest received		2,728,486	1,680,849
	Net receipts from / (payments for) term deposits		950,000	(12,702,949)
	Payments for plant and equipment		(29,882)	(64,985)
	Net cash provided by / (used in) investing activities		3,648,604	(11,087,085)
Cash flows from financing activities	Payment for the principal portion of lease liability		(507,447)	(569,614)
	Net cash used in financing activities		(507,447)	(569,614)
Net increase in cash and cash equivalents			228,971	58,616
Cash and cash equivalents at the beginning of the financial year			938,279	879,663
Cash and cash equivalents at the end of the financial year		7	1,167,250	938,279

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

1. General information

Phonographic Performance Company of Australia Limited (the company) is an unlisted public company limited by shares, incorporated and operating in Australia. The financial statements are presented in Australian dollars. The company is a not for profit entity.

The financial statements were authorised for issue by the directors on 1 October 2024.

2. Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures. This includes compliance with the recognition and measurement requirements of all Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the disclosure requirements of *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and the Corporations Act 2001*. These financial statements do not comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial report, except for the cash flow information, has been prepared on an accruals basis and is based on historical cost. Cost is based on the fair values of the consideration given in exchange for assets.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following judgements have been applied:

Allowance for expected credit losses

The allowance for expected credit losses assessment in relation to trade receivables requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include historical collection rates.

Net current asset deficiency

As at 30 June 2024 the company has a net current asset deficiency of $672,468 (2023: $873,378). Included in the company's current liabilities are aggregate amounts representing the licence fees received in advance of $262,218 (2023: $299,670) and amounts payable to licensors of $48,017,438 (2023: $48,183,645). While the amount payable to the licensors will be settled in December 2024, the licence fees received in advance will be used to support the operations of the company in the next financial year with only the surplus forming part of the amount which will be distributed to the licensors in relation to the financial year ending 30 June 2024.

Consequently, the net current asset deficiency position at the 30 June 2024 is due to the nature of the business and does not highlight an issue relating to the going concern assumption of the company.

Lease term

The lease term is a significant component in the measurement of both the lease asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the lease asset, with similar terms, security and economic environment.

4. Material accounting policy information

New, Revised or Amended Accounting Standards and Interpretations Adopted

The Company has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

a) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

b) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is brought to account over the terms of the licences issued on the following basis:

- Public performance licence fees are normally issued for a period of one year, although shorter periods are accommodated. In all cases licence fees are payable in advance. Income is brought to account on a monthly basis over the life of the contract.
- Broadcast licences are issued for various terms - revenue is brought to account on a monthly basis over the life of the contract.
- Revenue from the disposal of other assets is recognised when the entity has passed control of the other assets to the buyer.

Interest Revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

c) Income tax

The company prepares its income tax returns on the basis that it acts as agent for the copyright holders that it represents. As such, it does not derive income on its own account. Rather, it is entitled under its constituent document to be reimbursed for expenditure incurred in the course of its activities. The basis of assessment has been agreed with the Australian Taxation Office.

The net effect of temporary and permanent differences arising from expenditure incurred by the company is passed on to the recipients of the royalties collected.

d) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition. Deposits with a maturity of greater than three months from the date of acquisition are classified as other financial assets.

e) Other Financial assets

Recognition / derecognition

The Company recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date).

Investments are derecognised when the right to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Classification of financial assets

Financial assets recognised by the company are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the company irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9. Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

a. the company's business model for managing the financial assets; and

b. the contractual cash flow characteristics of the financial asset.

Financial assets at amortised cost

Term deposits are classified (and measured) at amortised cost on the basis that:

a. they are held within a business model whose objective is achieved by the company holding the financial asset to collect contractual cash flows; and

b. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are measured at amortised cost. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition or construction of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment.

Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value.

Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis. The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The following useful lives are used in the calculation of depreciation:

• Office furniture	5 to 10 years
• Office equipment	3 to 7 years
• Motor vehicles	5 years
• Computer equipment	3 to 7 years
• Leasehold improvements	7 years
• Software	3 to 10 years

g) Intangibles

IT development and software

Costs incurred in developing products or systems and costs in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software. Costs capitalised included external direct costs of materials and service and direct payroll and payroll rated costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis from the date the asset is brought into use over periods generally ranging from three to ten years.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Company has an intention and ability to use the asset.

IT development and software are included in property, plant and equipment.

h) Lease assets & liabilities

Lease assets

A lease asset is recognised at the commencement date of a lease. The lease asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Lease assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

i) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the company in respect of services provided by employees up to reporting date.

<u>Defined contribution plans</u>

Contributions to defined contribution superannuation plans are expensed when employees have rendered service entitling them to the contributions.

j) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

5. Revenue and other revenue

		2024$	2023$
Revenue from contracts with customers	Licence fees	59,379,608	55,855,263
Other revenue	Rent received	244,692	254,308
	Sundry revenue	7,860	5,617
Total Revenue	Rent received	244,692	254,308

6. Expenses

Profit before income tax includes the following specific expenses:

	2024$	2023$
Superannuation expense - defined contribution plans	324,608	288,615
Provision for doubtful debts	-	84,728
Interest & finance charges	48,350	10,833

7. Cash and cash equivalents

	2024$	2023$
Cash at bank & on hand	1,167,250	938,279

8. Trade and other receivables

	2024$	2023$
Trade receivables	961,373	1,017,748
Allowance for expected credit losses	(93,471)	(93,471)
	867,902	924,277
Prepaid expenses	95,782	134,187
Other licence receivables	2,312,416	2,111,677
Other receivables	787,746	654,108
	4,063,846	3,824,249

9. Other financial assets

		2024$	2023$
Financial assets at amortised cost	Term deposits	62,645,750	63,595,750

10. Property, plant and equipment

	Office furniture and equipment at cost $	Motor vehicles at cost $	Software $	Computer equipment at cost $	Leasehold improvements at cost $	Total $
Cost						
Balance at 1 July 2022	300,867	33,409	3,760,848	377,906	611,702	5,084,732
Additions	1,591	-	61,039	2,355	-	64,985
Disposals	(1,778)	-	(112,497)	(15,583)	-	(129,858)
Balance at 30 June 2023	300,680	33,409	3,709,390	364,678	611,702	5,019,859
Additions	-	-	17,610	12,272	-	29,882
Disposals	(30,899)	-	-	(223,622)	-	(254,521)
Balance at 30 June 2024	300,680	33,409	3,709,390	364,678	611,702	5,019,859
Accumulated Depreciation						
Balance at 1 July 2022	(295,383)	(33,409)	(3,138,335)	(368,638)	(611,702)	(4,447,467)
Depreciation expense	(5,126)	-	(306,035)	(6,480)	-	(317,641)
Disposals	1,778	-	112,497	15,583	-	129,858
Balance at 30 June 2023	(298,731)	(33,409)	(3,331,873)	(359,535)	(611,702)	(4,635,250)

10. Property, plant and equipment (continued)

Depreciation expense	(594)	-	(167,623)	(6,707)	-	(174,924)
Disposals	30,899	-	-	223,622	-	223,622
Balance at 30 June 2024	(268,426)	(33,409)	(3,499,496)	(142,620)	(611,702)	(4,555,653)
Net book value						
As at 30 June 2023	1,949	-	377,517	5,143	-	384, 609
As at 30 June 2024	1,355	-	227,504	10,708	-	239,567

11. Right-of-use assets

The company has one lease over its office premises that is due to expire in May 2025.

	2024$	2023$
Buildings	1,059,979	1,059,979
Provision for depreciation	(574,156)	(44,166)
	485,823	1,015,813
Depreciation charged to profit & loss	529,990	519,712

12. Trade and other payables

	2024$	2023$
Trade and other payables	18,913,147	19,367,081
Goods and services tax payable	278,092	296,558
Licence fees received in advance	262,218	262,218
Amounts payable to licensors	48,017,438	48,183,645
	67,470,895	68,146,954

13. Lease liabilities	2024$	2023$
Current	511,842	507,447
Non-current	-	511,842
Future lease payments		
Within one year	525,779	555,796
One to five years	-	525,779
	525,779	1,081,575

14. Employee benefits		2024$	2023$
Current	Employee benefits	566,577	577,255
Non-current	Employee benefits	52,913	15,193

15. Issued capital	2024$	2023$
9 fully paid ordinary shares (2023: 9)	9	9

		2024		2023	
		No.	$	No.	$
Fully paid ordinary shares	Balance at the beginning of the financial year	9	9	9	9
	Balance at the end of the financial year	9	9	9	9

16. Key management personnel compensation

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2024$	2023$
Short-term employee benefits	1,154,247	1,034,752
Post-employment benefits	95,419	108,649
	1,249,666	1,143,401

17. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Pitcher Partners, the auditor of the company:

	2024$	2023$
Audit of the financial statements	43,000	41,000
Preparation of the tax return	5,650	5,400
	48,650	46,400

18. Capital commitments

The company has no capital commitments at reporting date (2023: nil).

19. Related party transactions

a) Key management personnel compensation

Details of key management personnel compensation are disclosed in note 16 to the financial statements.

a) Transactions with other related parties

Other related entities include entities with common control. Related entities include Australian Recording Industry Association Limited, Music Rights Australia Pty Limited and PPCA Performers' Trust Foundation.

Aggregate amounts receivable from other related parties are disclosed in note 8 to the financial statements. Amounts receivable from related parties are unsecured, non-interest bearing and are repayable at call.

Rental income of $244,692 (2023: $254,308) was charged to Australian Recording Industry Association Limited and Music Rights Australia Pty Limited. The rental cost is deemed to be under normal terms and conditions.

Clerical services expense of $1,030,195 (2023: $957,302) was charged to Australian Recording Industry Association Limited and Music Rights Australia Pty Limited.

There was no grant to the PPCA Performers' Trust Foundation during the year (2023: $Nil)

20. Subsequent events

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Consolidated Entity Disclosure Statement as at 30 June 2024

Phonographic Performance Company of Australia Limited is not required by Australian Accounting Standards to prepare consolidated financial statements.

Accordingly, in accordance with subsection 295(3A) of the *Corporations Act 2001*, no further information is required to be disclosed in this consolidated entity disclosure statement.

DIRECTOR'S DECLARATION

The directors of the company declare that:

1. The financial statements comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and accompanying notes, are in accordance with the *Corporations Act 2001*, and

- **b.** comply with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*; and
- **c.** give a true and fair view of the company's financial position as at 30 June 2024 and of its performance for the year ended on that date.

2. In the directors' opinion, the consolidated entity disclosure statement required by subsection 295(3A) of the *Corporations Act 2001* is true and correct.

3. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Joshua Jon Pyke
Director
1 October 2024
Sydney

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Phonographic Performance Company of Australia Limited "the Company", which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Company, is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

b. Complying with Australian Accounting Standards – Simplified Disclosures and the *Corporation Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (Including Independence Standards) "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Company's directors report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial report

The directors of the Company are responsible for the preparation of:

a. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

b. The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001;* and

for such internal control as the directors determine is necessary to enable the preparation of:

i. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Melissa Alexander

Melissa Alexander
Partner

Pitcher Partners

Pitcher Partners
Sydney

1 October 2024

PPCA PERFORMERS' TRUST FOUNDATION

For the financial year ended 30 June 2024

		2024$	2023$
Current assets	Cash and cash equivalents	21,047	29,286
	Trade and other receivables	3	18
Total current assets		21,050	29,304
Total assets		21,050	29,304
Current liabilities	Trade and other payables	3,800	3,600
	Grants allocated and unexpended at the end of the financial year held by trustees for beneficiaries	4,052	8,802
Total current liabilities		7,852	12,402
Total liabilities		7,852	12,402
Net assets		13,198	16,902
Funds	Funds retained in the Trust	13,198	16,902
Total funds		13,198	16,902

The above statement of financial position should be read in conjunction with the accompanying notes.

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