



# 2011 2012

**ANNUAL  
PERFORMER  
REPORT**

## **WELCOME TO PPL'S ANNUAL PERFORMER REPORT 2011/12.**

**AS EVER, WE REMAIN COMMITTED TO MANAGING YOUR RIGHTS, MAXIMISING YOUR EARNINGS AND PROVIDING A FIRST CLASS SERVICE. THIS REPORT HIGHLIGHTS ANOTHER YEAR OF CHANGE AND GROWTH AT PPL, WITH CONTINUED FOCUS ON DELIVERING IMPROVEMENTS IN OUR SYSTEMS AND SERVICES WHILST ALSO COLLECTING AND PAYING OUT MORE MONEY THAN EVER BEFORE.**

**WE FACE MANY CHALLENGES. TRADING CONDITIONS ARE EXPECTED TO REMAIN DIFFICULT AND COPYRIGHT REMAINS VERY MUCH UNDER SCRUTINY. HOWEVER WE ALSO HAVE MANY GREAT OPPORTUNITIES. THIS YEAR'S REPORT, WHICH LIKE LAST YEAR'S TELLS THE STORY THROUGH SOME TOP-LINE STATISTICS AND NUMBERS, LOOKS NOT ONLY AT THE KEY SUCCESSES OF THE LAST TWELVE MONTHS BUT ALSO TOWARDS THE FUTURE.**

**AT ALL TIMES, WE NEVER FORGET THE FULL VALUE OF YOUR MUSIC.**

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## 2011 FINANCIAL HIGHLIGHTS

WE MAINTAINED GROWTH ACROSS OUR THREE REVENUE STREAMS DESPITE TOUGH ECONOMIC CONDITIONS WHICH PREVAILED IN THE UK AND GLOBALLY. WE ENGAGED WITH INCREASING NUMBERS OF STAKEHOLDERS NATIONALLY AND AROUND THE WORLD AS WE STAND UP FOR MUSIC RIGHTS ON YOUR BEHALF.

**£153.5  
MILLION**  
ANNUAL LICENCE FEE INCOME  
\*7% GROWTH

**+7%**

ANNUAL BROADCAST AND  
ONLINE REVENUE GROWTH  
£66.2MILLION

**£130.8  
MILLION**  
DISTRIBUTABLE REVENUE TO MEMBERS  
\*5% GROWTH

**+10%**

ANNUAL PUBLIC PERFORMANCE  
REVENUE GROWTH  
£55MILLION

**+2%**

ANNUAL INTERNATIONAL  
REVENUE GROWTH  
£32.4MILLION

**2-4%**

COST OF COLLECTION FOR  
MOST COUNTRIES COVERED  
BY PPL'S INTERNATIONAL  
COLLECTION SERVICE

**14.9%**

COST-TO-INCOME RATIO

## CEO'S STATEMENT



'WE REMAIN FULLY COMMITTED TO DELIVERING AND FURTHER DEVELOPING A FIRST-CLASS SERVICE TO YOU, AND TO OBTAINING A FAIR AND PROPER VALUE FOR THE USE OF YOUR RECORDED MUSIC LOCALLY AND GLOBALLY.'

### Dear Performer Members

As I come to the end of my first year as CEO of PPL, nothing takes away from the enormous sense of privilege I feel in having been entrusted with the role in January, coupled with my determination to develop further the services we provide to you, our performer members, as well as to our recording rightsholder members and also licensees.

At the PPL AGM earlier this year, we reported growth across our three revenue streams – Broadcast and Online, Public Performance and International – which represented 5% growth overall in our distributable revenue. This meant June 2012's distribution of revenues was the largest payment to members that the company has ever made.

The licensing revenue that PPL generates is becoming more important than ever to performers and recording rightsholders. This underlines further the importance of us not just continuing to grow your revenue – both in the UK and through further expansion of our international collections service – but also continuing to develop our level of service to you. This includes, as a priority, making further improvements to the statements that accompany your PPL payments, to provide you with an increased level of information about the various sources of those payments.

It may be helpful for me to touch on some of our other current areas of focus. For example, we have also made it a priority both to raise overall awareness of PPL in the business community – which helps to drive growth in licensing – and to reach out to you, as our members, at an increasing number of events around the UK.

Another continued area of focus has been our work with overseas music licensing companies to ensure greater efficiency and accuracy of our overseas collections for you. We have also been working more closely with *PRS for Music*, with particular emphasis on joint marketing activities and plans to develop more joint licensing solutions. These developments were very favourably reported upon in an independent report to Government ('Copyright works: Streamlining copyright for the digital age'), published in July 2012 by Richard Hooper and Dr Ros Lynch.

In addition, following our recent public consultation, we will shortly publish our Code of Conduct for members, setting out important information for prospective, new and existing members about PPL and what you can expect from us.

I hope you find this year's Annual Performer Report informative and interesting. I conclude as I started and on behalf of everyone at PPL: it is a privilege to safeguard and manage your rights. We remain fully committed to delivering and developing further a first-class service to you, and to obtaining a fair and proper value for the use of your recorded music locally and globally.

PETER LEATHAM  
PPL

## PERFORMER BOARD CHAIRMAN'S STATEMENT



'THERE IS NO DOUBT  
THAT INVESTMENTS  
MADE IN THE IT SYSTEMS  
SEVERAL YEARS BACK  
CONTINUE TO REAP  
REWARDS.'

### Dear Performer Members

It is my pleasure and privilege  
to present to you this year's  
Annual Performer Report.

As the financial figures show, PPL continues to grow from strength to strength with increasing licence fee income in 2011 and, in turn, distributable revenue reaching an all time high of £130.8 million. There is no doubt that investments made in the IT systems several years back continue to reap rewards and, whilst there is still work to be done in regard to levels of information surrounding usage, which is a major priority for us and to which Peter refers, huge progress has been made.

The year has been significant in that it has been the first year with Peter Leatham as CEO and it gives me great pleasure to report that the change over, with Fran Nevrkla remaining as PPL Chairman, has been seamless with continuing flow of ideas and fresh management procedures. This has grown and developed resulting in increasing output and productivity that has been impressive to witness. The two of them make a formidable team running a formidable organisation.

On a broader front we continue to deliver an ever improving customer experience. Indeed PPL was proud to be chosen as finalists in both the UK Customer Experience Awards (in both 2011 and 2012) and the European Call Centre and Customer Service Awards in 2012. We are continuing to engage with the wider industry about how PPL systems and data can be used internationally to enhance the efficiency and effectiveness of licence income data. We are committed, financially and morally, to supporting the industry's efforts to tackle anti-piracy where much work has been

done by the BPI. We continue close relations with performance rights organisations all around the world to promote best practice and pass on our expertise where we can. We are already preparing for copyright term extension (from 50 to 70 years for sound recordings and performances) taking effect in 2013.

This year we introduced the Eligible Studio Producer Form which, whilst not a change in policy, brought a simple and transparent process whereby eligible producers can make royalty claims. This improved process is the result of a great deal of work and debate by PPL, the Performer Board, stakeholder organisations and people across different genres and we believe it is a fair and practical method rewarding creators.

We anticipate an exciting year and are confident that we will be able to deliver even greater performer income due to the systems put in place during the past few years for increased collection and distribution. PPL's management and the Performer Board are ever mindful that we are here to serve you, the performers, and the large growth of performer income over the past few years is a testament to the integrity and hard work of a very dedicated staff who are mindful it is your money and your organisation and are accountable to you, the membership.

Thank you.

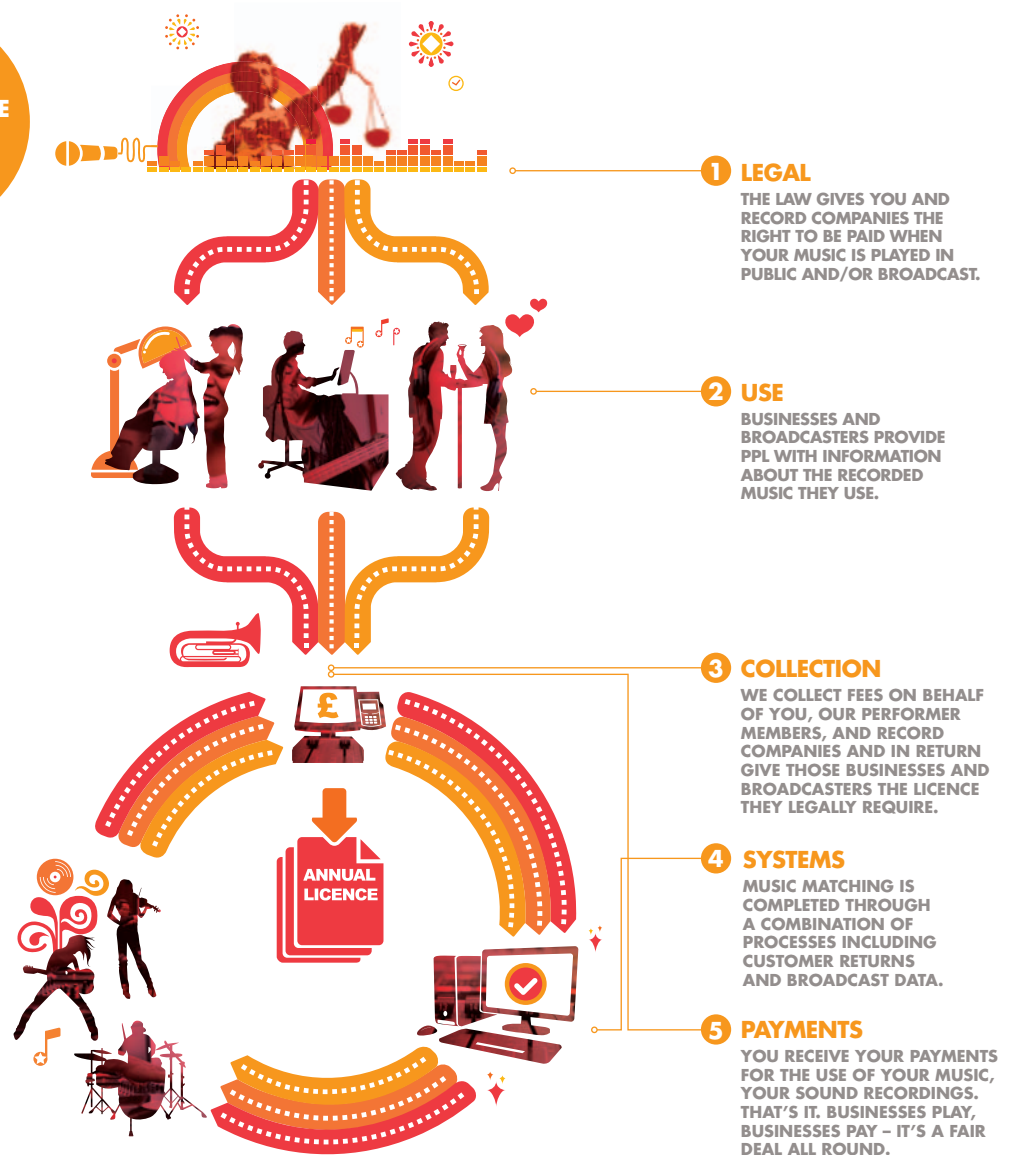
A handwritten signature in black ink that reads "Gerald Newson". The signature is written in a cursive, flowing style.

GERALD NEWSON  
PPL PERFORMER BOARD

# YOUR REVENUE

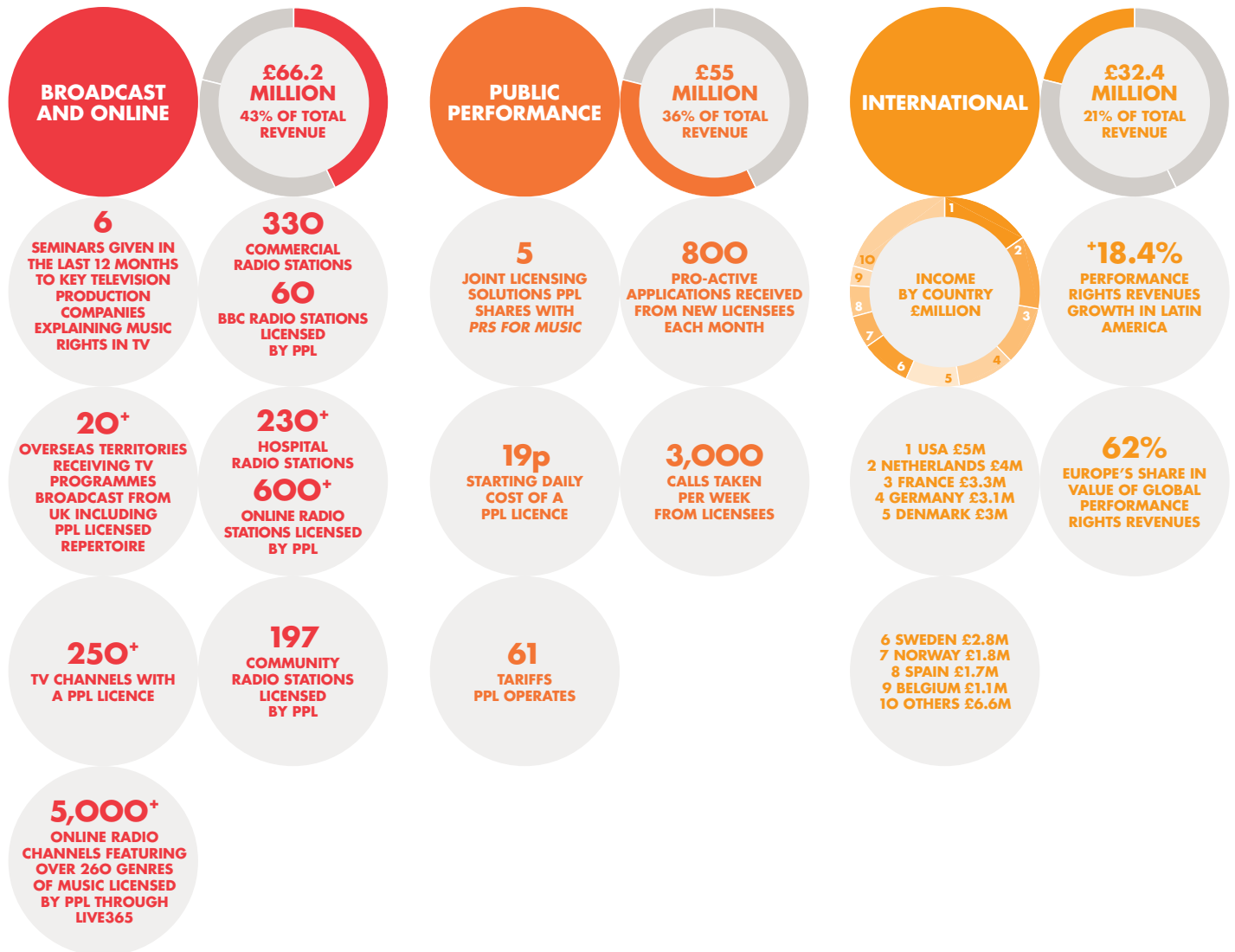
PLAYING RECORDED MUSIC IN PUBLIC OR IN TV AND RADIO BROADCASTS WILL ALMOST CERTAINLY LEGALLY REQUIRE A PPL LICENCE. THE MONEY THAT BUSINESSES AND BROADCASTERS PAY GIVES RECORD COMPANIES, OTHER RIGHTSHOLDERS AND YOU, THE PERFORMERS, THE INCOME YOU DESERVE.

## HOW MUSIC PERFORMANCE RIGHTS COLLECTION WORKS



# YOUR REVENUE STREAMS

PPL HAS THREE MAIN REVENUE STREAMS – BROADCAST AND ONLINE, PUBLIC PERFORMANCE AND INTERNATIONAL. THESE ARE VERY DIFFERENT AREAS AND REQUIRE SPECIALISED TEAMS TO DEAL WITH A WIDE ARRAY OF COMPANIES AND ORGANISATIONS.



# YOUR PLAYED RECORDINGS

THE RAPIDLY GROWING NUMBER OF SOUND RECORDINGS, TOGETHER WITH THE WIDER USE OF THOSE RECORDINGS ON DIFFERENT PLATFORMS AND IN MORE COUNTRIES, MEANS THAT A HUGE VOLUME OF INFORMATION IS PROCESSED BY PPL'S SYSTEMS IN ORDER TO DISTRIBUTE YOUR REVENUE TO YOU.

**3.1 BILLION**

SECONDS OF TV AND RADIO BROADCASTING AIRPLAY  
USED TO MAKE THE JUNE 2011 DISTRIBUTION

**5.2 MILLION**

PLAYS OF RECORDINGS REPORTED  
FROM OTHER COUNTRIES MATCHED TO  
PPL'S REPERTOIRE DATABASE IN 2011

**22.4 MILLION**

AVERAGE SECONDS OF AIRPLAY REPORTED  
BY EACH COMMERCIAL RADIO STATION  
LICENSED BY PPL IN 2011



## OUR SYSTEMS

IT IS CRITICAL THAT OUR DISTRIBUTIONS ARE TIMELY AND ACCURATE HOWEVER MUCH THE NUMBER OF RECORDINGS GROWS AND THEIR USE MULTIPLIES. THIS CAN ONLY HAPPEN WITH ROBUST SYSTEMS THAT, BY DEFINITION, NEEDS TO BE POWERFUL AND COMPLEX GIVEN THE HUGE AMOUNT OF DATA TO BE HANDLED.

**83 MILLION**

ROWS OF MUSIC USAGE PROVIDED BY LICENSEES  
SPANNING 17,500 SEPARATE DATA FILES  
(THAT'S 70 FILES PER DAY)

**321 MILLION**

ROWS OF DATA GENERATED TO MAKE  
THE JUNE 2011 DISTRIBUTION

**8 TERABYTES**

DATA ACROSS OUR REPERTOIRE AND DISTRIBUTION SYSTEMS  
(THAT'S 8 TRILLION BYTES AND THE EQUIVALENT OF  
12,500 CDS OF DATA)

## YOUR MEMBERSHIP SERVICES

WE ENDEAVOUR TO DELIVER A FIRST CLASS SERVICE AND IT IS IMPORTANT THAT WE ADAPT TO YOUR NEEDS IN A FAST MOVING AND GLOBAL ENVIRONMENT AND ONE THAT IS EXPANDING AND GROWING ALL THE TIME!

**3**

WE RECEIVE A CALL  
FROM A MEMBER  
EVERY 3 MINUTES

**6**

LANGUAGES  
SPOKEN BY OUR  
INTERNATIONAL TEAM

**4,025**

NEW PERFORMERS DIRECTLY  
REGISTERED WITH PPL IN FIRST  
TEN MONTHS OF 2012

**90%**

OF THEM SIGNED UP TO  
PPL'S INTERNATIONAL  
COLLECTIONS SERVICE

**200**

EMAILS RECEIVED FROM  
MEMBERS EVERY DAY

**+21%**

INCREASE IN WEB  
TRAFFIC SINCE LAUNCH  
OF MUSICWORKS  
CAMPAIGN

**335**

PERFORMERS REGISTERED  
PER MONTH  
(ON AVERAGE)  
IN 2012

**4**

PPL MEMBER OPEN DAYS  
HELD IN THE LAST  
12 MONTHS

**62**

BILATERAL AGREEMENTS  
IN 32 COUNTRIES

**53,000**

TOTAL NUMBER OF PERFORMER MEMBERS  
DIRECTLY REGISTERED WITH PPL

**257,802**

UPDATES MADE IN THE LAST TWELVE MONTHS  
BY REPERTOIRE DATA QUALITY TEAM TO  
PERFORMER LINE UP INFORMATION  
ON PPL RECORDINGS

**26,500**

PERFORMERS REGISTERED WITH PPL VIA  
OTHER MUSIC LICENSING COMPANIES

**10,000+**

RIGHTSHOLDER DISPUTES  
RESOLVED IN 2011

**343,496**

ACCEPTED CLAIMS FROM PERFORMERS  
TO BE LINKED TO A RECORDING IN THE  
PPL REPERTOIRE DATABASE BETWEEN  
JUNE 2011 – JUNE 2012 VIA MYPPL

**1,500**

PREVIOUSLY UNREGISTERED  
PERFORMERS LOCATED LAST  
YEAR AND TO WHOM WE  
WERE ABLE TO RELEASE A  
TOTAL OF £0.3MILLION

## YOUR PAYMENTS

AS HIGHLIGHTED EARLIER IN THIS REPORT, PPL'S DISTRIBUTION OF REVENUES TO MEMBERS IN JUNE 2012 WAS THE LARGEST IN THE COMPANY'S HISTORY – INCLUDING MORE MONEY, FOR MORE PERFORMERS, FOR MORE USES OF YOUR MUSIC.

**24,567**

PERFORMERS PAID IN PPL'S MAIN DISTRIBUTION IN JUNE 2012, OF WHICH 8,146 WERE PERFORMERS REGISTERED VIA AN OVERSEAS MUSIC LICENSING COMPANY

**+7%**

INCREASE IN NUMBER OF PERFORMERS WHO RECEIVED A PAYMENT OVER £5 IN JUNE 2012 DISTRIBUTION

**+24%**

NUMBER OF RECORDINGS WHICH RECEIVED A PAYABLE ALLOCATION IN JUNE 2012

**2,926**

PERFORMER MEMBERS IN 2011 WHO BENEFITTED FROM PPL'S 'QUALIFIED INTERMEDIARY' STATUS (AND SO RECEIVED THEIR MONIES FROM THE USA WITHOUT A 30% TAX DEDUCTION)

**16,422**

PERFORMERS RECEIVED MORE THAN ONE INTERNATIONAL ALLOCATION IN THE YEAR TO JUNE 2012

**19,997**

PERFORMERS RECEIVED AN ALLOCATION OF INTERNATIONAL REVENUES IN THE YEAR TO JUNE 2012

## MUSICWORKS

EARLY IN 2012, IN CONJUNCTION WITH *PRS FOR MUSIC*, WE CARRIED OUT NEW MUSICWORKS RESEARCH AMONGST OVER 1,000 SMALL AND MEDIUM ENTERPRISES. IT IS CRITICAL THAT BUSINESSES UNDERSTAND THE VALUE OF PLAYING YOUR RECORDINGS IN PUBLIC AND THEIR POTENTIAL POSITIVE IMPACT ON CUSTOMERS AND STAFF. THE FINDINGS WERE PUBLICISED IN THE SUMMER.

**'MUSIC PROVIDES AN EFFECTIVE AND ADAPTABLE TOOL FOR BRINGING A SENSE OF PLEASURE AND RELAXATION TO THE WORK ENVIRONMENT, THEREBY PROMOTING A POSITIVE ATTITUDE, HIGHER JOB SATISFACTION AND BOOSTING A SENSE OF BRAND IDENTITY AND LOYALTY. A COMPLETELY SILENT WORK ENVIRONMENT CAN LACK STIMULATION, INTEREST AND, FOR MANY PEOPLE, A DYNAMIC AND CREATIVE SOURCE OF ENERGY.'**

**DR VICKY WILLIAMSON  
MUSIC PSYCHOLOGIST**

**19%**

**SAY THEY WOULD  
LOSE BUSINESS  
WITHOUT MUSIC**

**65%**

**BUSINESS OWNERS  
SAY EMPLOYEES ARE  
MORE PRODUCTIVE  
WHEN MUSIC  
IS PLAYED**

**74%**

**FACTORY OWNERS  
SAY PLAYING MUSIC  
IN THE WORKPLACE  
INCREASES  
STAFF MORALE**

**75%**

**SMALL TO MEDIUM  
BUSINESSES BELIEVE  
BACKGROUND MUSIC  
CAN HELP RELIEVE  
TENSION IN THE  
WORKPLACE**

**93%**

**PUB, CLUB AND  
BAR OWNERS SAY  
PLAYING MUSIC IN THE  
WORKPLACE CREATES  
A BETTER ATMOSPHERE  
FOR CUSTOMERS**

**MUSICWORKS**

**MUSICWORKSFORYOU.COM**

## STANDING UP FOR YOUR MUSIC

IN 2012, AS PART OF OUR ONGOING WORK TO RAISE GREATER AWARENESS OF PPL, WE HAVE VISITED MORE PEOPLE IN MORE PLACES AND AT MORE EVENTS THAN EVER BEFORE.

OVER 35 PLACES  
VISITED WORLDWIDE  
FOR CONFERENCES,  
SEMINARS, FESTIVALS,  
ROADSHOWS, PANELS,  
AWARDS DINNERS,  
AND MORE!

### UK

BELFAST  
BIRMINGHAM  
BRIGHTON  
BRISTOL  
BOURNEMOUTH  
CARDIFF  
CHESTER  
DERRY  
EDINBURGH  
GLASGOW  
LEEDS  
LIVERPOOL  
MANCHESTER  
NORWICH  
TRURO  
WREXHAM

### USA

AUSTIN  
LOS ANGELES  
NASHVILLE  
NEW YORK  
WASHINGTON

### CANADA

TORONTO

### EUROPE

AMSTERDAM  
BRUSSELS  
BUCHAREST  
BUDAPEST  
BERLIN  
CANNES  
COPENHAGEN  
DUBLIN  
GENEVA  
GRONINGEN  
HELSINKI  
MADRID  
LISBON  
LUBLJANA  
MOSCOW  
OSLO  
PARIS  
PRAGUE  
STOCKHOLM  
ZURICH

### SOUTH AMERICA

BUENOS AIRES

### AFRICA

FREETOWN  
(SIERRA LEONE)

### ASIA

MUMBAI

## CONTACT US

FOR MORE INFORMATION OR  
IF YOU HAVE ANY QUESTIONS  
REGARDING ANY OF THE DETAILS  
IN THE REPORT PLEASE CONTACT  
OUR PERFORMER SERVICES TEAM

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FOR FURTHER INFORMATION  
ON THE PPL PERFORMER BOARD  
AND PPL MANAGEMENT TEAM  
PLEASE GO TO:  
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[WHO-WE-ARE/](http://PPLUK.COM/WHO-WE-ARE/)  
[MANAGEMENT-AND-BOARDS](http://PPLUK.COM/MANAGEMENT-AND-BOARDS)

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APMRO2 NOV12



**NORDOFF  
ROBBINS**  
music transforming lives

AMONGST OTHERS, PPL SUPPORTS  
THE FOLLOWING CHARITIES:



CARING FOR PERFORMERS' HEALTH



**ymso**  
YOUNG MUSICIANS SOCIETY OF GREAT BRITAIN



**JULIE'S BICYCLE** \* \* \* \*  
TAKING THE HEAT OUT OF MUSIC





**STANDING UP  
FOR MUSIC RIGHTS.**

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