



RECORDED
MUSIC
ANNUAL REPORT 2019





© 2020 Recorded Music New Zealand Limited.
This Annual Report contains proprietary information and is provided for informational purposes only. Please do not use any information contained in it unless expressly authorised to do so by Recorded Music New Zealand Limited. 'Recorded Music NZ'; 'NZ Music Awards'; the Tui device; 'The Official NZ Music Charts'; 'ProMusic'; and 'NZ Music Hall of Fame' are registered trademarks.

Designed by Mark Roach.



RECORDED MUSIC NEW ZEALAND LIMITED

Annual Report for the year ended 31 December 2019

CONTENTS

5	Approval of Annual Report
6	Chairman's Report
8	Chief Executive's Report
14	Revenue Summary 2019
15	2019 Top 10 Albums and Singles
16	The Artist's Tui
18	Artisan Awards
19	MusicHelps - T-Shirt Day
20	Tui Music Series
21	Producer Series images
	Financial Statements:
22	Directory
23	Statement of profit and loss
24	Statement of financial position
25	Statement of cash flows
26	Notes to the financial statements
28	Auditor's Report

APPROVAL OF ANNUAL REPORT

In the opinion of the Directors of Recorded Music New Zealand Limited ('the Company') the financial statements and notes, on pages 22 to 29:

- comply with New Zealand generally accepted accounting practice and present fairly the financial position of the Company as at 31 December 2019 and the results of operations for the year ended on that date;
- have been prepared using the appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Company and facilitate compliance of the financial statements with the Financial Reporting Act 2013.

The Directors consider that they have taken adequate steps to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide reasonable assurance as to the integrity and reliability of the financial statements.

The Directors are pleased to present the annual report including the financial statements of Recorded Music New Zealand Limited for the year ended 31 December 2019.



Chris Caddick, Chairman
Dated 31.03.20



Adam Holt, Director
Dated 31.03.20



CHAIRMAN'S REPORT

2019 saw the retirement of two Recorded Music New Zealand Board members, **Peter Baker** and **Paul McKessar**, after 6 years and 3 years' service respectively. On behalf of the Board I would like to thank both for their professionalism and commitment; and their willingness to assist the management team on Board sub-committees. Both have made an invaluable contribution to the success of the organisation during their terms.

Board elections in April saw Peter and Paul replaced by **Nicky Harrop**, as independent label representative; and **Nick Atkinson**, as artist representative. Both have continued the great work of their predecessors. I'd like to thank them for their enthusiastic embracing of the Board's activities to date.

Recorded Music New Zealand's financial performance for 2019 saw healthy growth over 2018 leading to both record turnover and record distributions to shareholders. Particularly pleasing is the continued growth, both in income and as a percentage of total revenues, of **OneMusic**, our Public Performance joint venture with APRA New Zealand.

Our promotional activities saw extensive participation in industry educational workshops and seminars; outstanding **New Zealand Music Awards** and **Artisan Awards** shows in November; improvements to the **The Official NZ Music Charts**; and initiatives in support of music charity **MusicHelps**.

Lead ably by **Jo Oliver** and in partnership with a coalition of fellow music organisations, 2019 saw a mammoth effort to respond to the Copyright Review Issues Paper. A comprehensive overview of the music business in New Zealand was delivered to the Government in April; this accompanied a thorough and clear position on the issues. This submission included extensive data, and insight from industry specialists that included a wide array of artists. Recorded Music New Zealand is fully committed to leading the New Zealand music industry in interactions with the Government in the ongoing review of the Copyright Act. Accordingly, this will remain our main focus for 2020.

Our CEO **Damian Vaughan** has lead Recorded Music New Zealand with calm authority and assurance. On behalf of the Board I would like to thank him and all the staff on the excellent year's achievements in 2019. The Board is focussed on a year of continuous improvement in 2020, both in its guidance and expectations for the organisation, and in its own performance.

Chris Caddick

Chris Caddick
Chairman, Recorded Music NZ



TH' DUDES

Th' Dudes were presented with the **Legacy Award** at the 2019 NZ Music Awards and inducted into the **New Zealand Music Hall of Fame**. The band reformed for the first time in 30 years to perform a medley of their biggest hits - a performance that brought the house down and proved a fitting finale to the Awards.





CHIEF EXECUTIVE'S REPORT

Tēnā koutou,

On behalf of Recorded Music New Zealand I am pleased to report that Aotearoa's recorded music industry achieved a fifth year of growth in 2019 and has been experiencing a time of unparalleled music discovery, access and consumption. This has enabled kiwi music fans to make choices as to how they experience music and engage with their favourite recording artists. With this change comes incredible opportunities for our artists to find new audiences and there is increased investment being made in developing their careers domestically and internationally.

At time of writing this note we are in the early stages of NZ's experience with Covid-19 and the country is in lockdown. Much is still unknown but we do know that the impact on New Zealand will be significant, on our health and wellbeing, on our economy and all things we had previously taken for granted. Music has always had the power to unite and to heal and we believe the music industry is well placed to recover from the social and economic shock caused by Covid-19.

We are already working collaboratively with our music industry colleagues on the initiatives most needed for our industry. We have jointly reached out to the music community to assist them with information about government support.

We have been leaders in fundraising for the industry and Recorded Music NZ is the principal funder of the music industry charity **MusicHelps**. At the time of writing MusicHelps has launched a fundraising appeal aiming to raise \$2 million to support our music community.

As phase one MusicHelps will be making **\$500 rapid response grants** available to individuals who have experienced hardship, distress or loss of income as a result of Covid-19. We are also leading our sector's response to government, estimating and evaluating the impacts and identifying what the music sector needs from government to start rebuilding on our path to recovery. Of course these initiatives are only the beginning and there will be further announcements and initiatives as the situation evolves.

As we are still in these early stages we do not yet know the full impact on Recorded Music NZ and our local industry. However, what is clear is that 2020 will be very different to any other year we have experienced, and Recorded Music NZ will do all that we can to advocate, protect and fight for our members, our artists, our local NZ music businesses and our wider music whanau, as we navigate through this unprecedented experience together.

He waka eke noa tātou - We are in this waka together

continued overleaf



REVENUE SUMMARY 2019 SNAPSHOT

(refer to page 14 for Revenue Summary 2019 graphs)

Streaming music via Spotify, YouTube Music or Apple Music is without a doubt the dominant form of recorded music consumption in NZ and returned **\$92.2m** to our industry, representing **75%** of all recorded music income in 2019.

Public Performance and Communication income, derived from the collective licensing activities of Recorded Music New Zealand, grew to **\$15.8m** representing **13%** of industry revenue.

A la carte music consumption, either as a digital **Download** or as **Physical** product (CD, Vinyl), remain important revenue areas, representing **\$3.9m (3%)** and **\$9.1m (8%)** respectively. **Vinyl** sales continue to grow and those vinyl enthusiasts are now behind **39%** of all physical product sales.

Revenue from **Synchronisation** represented **\$1.8m (1%)** of licensing income, being music 'synched' into an advertisement, TV/Film or video game.

RECORDED MUSIC NEW ZEALAND

I am pleased to report that once again Recorded Music New Zealand met its operational goals across core areas; maximising collective licensing revenue; delivering world class service to our membership; and protecting and promoting the value of recorded music.

LICENSING REVENUE

2019 continued the trends of growth in areas such as public performance and new local digital services, and challenges in other areas such as linear television and to a lesser degree radio broadcasting. Despite the challenges we are very pleased to report that in 2019 our collective licensing revenue increased by **6%** to **\$15.8m**.

Head of Licensing - Liz Diamond reports that our public performance revenue performed extremely well in 2019 and grew by **9%**. Driven predominantly by growth in the retail, exercise and special event areas, we continued to see the benefits from our **OneMusic** agreement with APRA. OneMusic income growth was assisted by expanding the team, effective compliance and account management, streamlining and bundling licensing activities and a re-alignment of roles with the successful introduction of a business/standard licensing team working by industry.

As the OneMusic office-based team grows in Auckland, we now also have compliance resource available around the country. In addition to the OneMusic team expansion, we are continuing to observe the rollout of OneMusic Australia, and areas of interest to our NZ operation that may benefit from aligning with our antipodean cousins.

A considerable amount of time and resource was invested in negotiating new agreements with commercial, public and iwi radio in 2019. After a robust process with all parties, we were pleased to complete new licence agreements that resulted in a small uplift in tariffs to accommodate expanded use of sound

continued overleaf



Six60 Six60 EP

(Massive / Universal Music NZ)

Highest Selling Artist, Radio Airplay and People's Choice, NZ Music Awards; and the #1 local album of 2019 (certified 4x Platinum).



Best Design Awards Winner 2019 1.



VNZMA 2019

1. Winner 'Large Brand Identity' category (DesignWorks), 2. Finalist 'Arts & Entertainment' category



VNZMA 2019

Presenters Laura Daniel and Jon Toogood.

Photo: Topic Photography

recordings via their digital services. **Radio revenue** grew by **3%** in 2019. Whilst no major radio licence negotiations are planned in 2020 we will continue to monitor the commercial radio revenue performance closely and the changes proposed in relation to Radio NZ and its platforms.

Television revenue experienced an uplift of **8%** growth in 2019 as a result of new agreements in place with Sky and its associated services/platforms, the licensing of Spark Sport, and encouraging growth from the other on-demand audio-visual services that are licensed by Recorded Music New Zealand.

Free-to-air television broadcast licence agreements will be negotiated throughout 2020 and 2021 and will be a key focus for the licensing team. It is clear that traditional terrestrial television services continue to face tough advertising environments, increased competition and fragmented audiences and we expect these challenges to continue in 2020. Despite this, there are some encouraging signs from local media companies that they are diversifying by developing complementary or substitutional/standalone services and adapting to the new paradigm.

We are pleased that we have been able to continue to grow the revenue from collective licensing and prior to Covid-19 had budgeted for small growth again in 2020. However, we will carefully monitor the media environment in relation to commercial broadcasters and the potential future changes ahead, especially as Covid-19 impacts become clear during the year.

MEMBER SERVICES

Finance Director Penny Hext and **Manager of Member Services Dean Cameron** report that 2019 produced a distributable income to members of **\$12.3m** (funds available for distribution in 2020) which is an increase of **4.2%** from 2018.

We had a **7%** increase in membership and 203 newly registered NZ Recording Artists over the year, and we now have **3,225 artists** registered in the Direct-to-Recording Artist Scheme. The number of NZ Rights Holders increased to **2,295** and of those **1,106** have elected to become shareholders, which is a **17%** increase from December 2018.

At the AGM in May we welcomed new Board directors **Nicky Harrop** from Rhythmethod as Independent Director and **Nick Atkinson** from Supergroove/Hopetoun Brown/Love Square as Artist Representative Director. It was encouraging to hear that our membership was highly engaged in the election process and we received the highest voting turnout of eligible shareholders since Recorded Music NZ started.

We also welcomed **Tana Tupai** from Tomorrow People who joined our Artist Committee, alongside current members: **Amelia Murray** (Fazerdaze), **Marcus Powell** (Blindspott/City of Souls) and **Anna Coddington**.

I am also pleased to report that we have completed a reciprocal agreement with our counterparts at PPCA in Australia (in addition to our existing U.K. and U.S. agreements) which enables us to collect applicable broadcast



Villainy (Best Rock Artist) performing their song 'Dreams' at the NZ Music Awards 2019

Photo: Topic Photography

and public performance royalties on behalf of our independent members who do not have representation in Australia. We received this first payment in December 2019 and distribution will be made in 2020.

MUSIC GRANTS

We granted a total of **\$111,250** to various initiatives and projects via our Music Grants fund in 2019 that had educational, charitable or archival recorded music outcomes. In addition to our support of the work of **MusicHelps**, other projects and organisations that received Music Grants in 2019 included **MMF, Play It Strange Charitable Trust, NZ Musician, 37Hz Ltd, APRA|AMCOS SongHubs, IMNZ, YAMI, Dunedin Fringe Arts Trust, AudioCulture, NZ Music Producers Series, Parachute Arts Trust, Pyramid Club Wellington, Flying Nun Foundation, Pacific Media Network, and Backline Charitable Trust.**

CHARTS

(refer to page 15 for 2019 Top10 Album and Singles)

BENEE was undoubtedly the breakout star of 2019 and her song 'Soaked' was the most popular kiwi track in Aotearoa, climbing to the top of the charts and spending 22 weeks in the main Top40 Singles. As a result, she managed to top the annual NZ Singles list ahead of a Top20 featuring **Six60, DRAX Project, Kings, Sons Of Zion, Mitch James** and **Church & AP**. **Six60** continued their reign as the most popular local act, with two releases in the end of year Top 10 Official Albums chart and four of the Top Five NZ Album spots.

Chart and Data Manager Paul Kennedy reports that one of the major chart changes in 2019 was bringing the sales and streaming windows into alignment using extrapolation, processing upgrades and shifting publication to Saturday mornings. In addition to that major change, the team continued to develop the automation of the back-end systems, improve the certification process, and the ingestion of data via real-time radio monitoring.

The team has built the social media engagement considerably throughout the year via features like the Ones To Watch videos, chart news and flashbacks and has been assisted with insight, upskilling and feedback from our chart committee members **Andy Low** (DRM NZ), **Myra Hemara** (Universal), **Gareth Brown** (Sony), **Jim Marshall** (Warner) and **Nicky Harrop** (Rhythmmethod). Our sincere thanks for their support throughout the year.

AWARDS

As the kaitiaki of the **New Zealand Music Awards / Ngā Tohu Puoro o Aotearoa**, we continued to build on our changes of the previous year and the wairua of connecting back to our artists and music community with our 2019 programme.

Building on that spirit, **Kaiwhakahaere o Ngā Tohu Puoro o Aotearoa / NZ Music Awards Manager Sarah Owen** and the awards team focused the show's theme on Whakatereā ngā au o te ara whānui ki te auahatanga | *navigating the artist's journey to creation*, acknowledging their song-making voyage, the determination, passion,



Haka performed for **Troy Kingi** upon receiving the Tui for **Best Māori Artist**.
Photo: Topic Photography

belief, hard mahi and ultimately joy when they breathe life into the songs we grow to love.

We presented 30 Tui's throughout the year at various awards events spanning the breadth of the country from Gore to Kumeu, Manukau to Wellington and the main ceremony in Auckland. Hosted by **Jon Toogood** and **Laura Daniel**, the 54th annual NZ Music Awards was held at Spark Arena on 14th November, and featured performances from our award finalists **Avantdale Bowling Club**, **BENEE**, **The Beths**, **Mitch James**, **Troy Kingi** and **Villainy**, with a special performance by **Teeks** and **Hollie Smith**.

Recorded Music NZ was honoured to present iconic kiwi act **Th' Dudes** with the Tohu Whakareretanga | Legacy Award. Be Mine Tonight, Bliss and Walking in Light are all quintessential Kiwi tracks that are part of the soul of the nation. Th' Dudes and their recordings bring kiwis together in such a unique and special way and we were thrilled that we were able to acknowledge their influence and impact.



Liz Stokes (The Beths) performing at the NZ Music Awards 2019.
Photo: Topic Photography.

In partnership with APRA we welcome Th' Dudes as well as **Ruru Karaitiana**, **Pixie Williams** and **Jim Carter** as the 2019 inductees into the **Te Whare Taonga Puoro o Aotearoa | New Zealand Music Hall of Fame**.

We were also pleased to have delivered a number of new and returning initiatives to support the awards programme and build-up to the main event. (refer to pages 16-21 for further background on these awards initiatives)

- There was once again a unique kiwi artist's vision of the Tui award itself, and we were privileged that jewellery

designer and multi award-winning musician **Boh Runga** reinterpreted the 2019 Tui.

- Our celebration of craft continued at **The Artisan Awards** in Wellington at Massey University, where we presented the awards for Producer, Engineer, Album Artwork and Music Video.
- We presented **Duncan Ferguson** of St Andrews College in Christchurch the second annual Kaiārahi Puoro o te Tau Tui | Music Teacher of the Year at the Artisan Awards.
- We welcomed the MMF Music Manager of the Year award to the Artisans this year. The 2019 award was presented to **Lorraine Barry** for her work with Dave Dobbyn, Avantdale Bowling Club and Nomad, amongst others.
- Curated by producer **Greg Haver**, we presented the fourth annual NZ Music Producer Series, where international guest producers **Andrew Scheps** and **Mark Rankin** worked with two local acts and a selection of our finest up and coming local producers and engineers.
- Supporting both the Producer Series and the Artisan Awards, we hosted a suite of professional development talks called the **Tui Music Series** in the weeks leading up to the awards, featuring 15 speakers over 7 seminars in Auckland and Wellington.
- We launched a fantastic new initiative for our awards and industry charity partner **MusicHelps: NZ Music T-Shirt Day**. On Friday 8 November we encouraged Kiwis to wear their favourite NZ artist or band tee to raise funds for the charity. We were very pleased that in our first year we grossed **\$52,777** via donations and t-shirt purchases for MusicHelps.

And finally, the awards themselves were recognised for outstanding design and focus on Te Reo Māori and we were delighted to receive a Gold at the **Designers Institute "Best Awards"** for our logo design; and a finalist spot at **Ngā Tohu Reo Māori (Māori Language Awards)** in the Arts and Entertainment section.

PROTECT AND PROMOTE

Recorded Music NZ has continued to advocate for recorded music and the wider music sector in connection with the government's review of the Copyright Act. We are committed to securing a robust copyright law framework, to support sustainable growth in the music industry into the future.

General Counsel & Government Affairs, Jo Oliver led the music sector's submission to the government's Copyright Act Review Issues Paper in April 2019. The submission was co-ordinated by Recorded Music NZ on behalf of

continued overleaf

our industry colleagues at APRA AMCOS, the NZ Music Commission, Independent Music NZ (IMNZ) and the Music Managers Forum (MMF NZ).

As part of the submission we produced a stand-alone publication **The NZ Music Industry - Te Ahumahi Puoro o Aotearoa** which contains a wealth of information about the music industry and the many people that work within it.

In preparing the submission and publication we consulted extensively within the industry, with our artists, songwriters, labels, distributors and aggregators and many others, addressing the opportunities and challenges they face, and the importance of copyright to what they do. In addition to their important contributions, the submission contained extensive legal input, economic analysis and consumer research.

The submission focussed on four key priorities, asking Government to ensure fair market conditions for negotiations with digital platforms, provide for effective enforcement of copyright online, harmonise New Zealand's copyright term with that of other OECD countries and to ensure legal certainty and an evidence-based approach to exceptions.

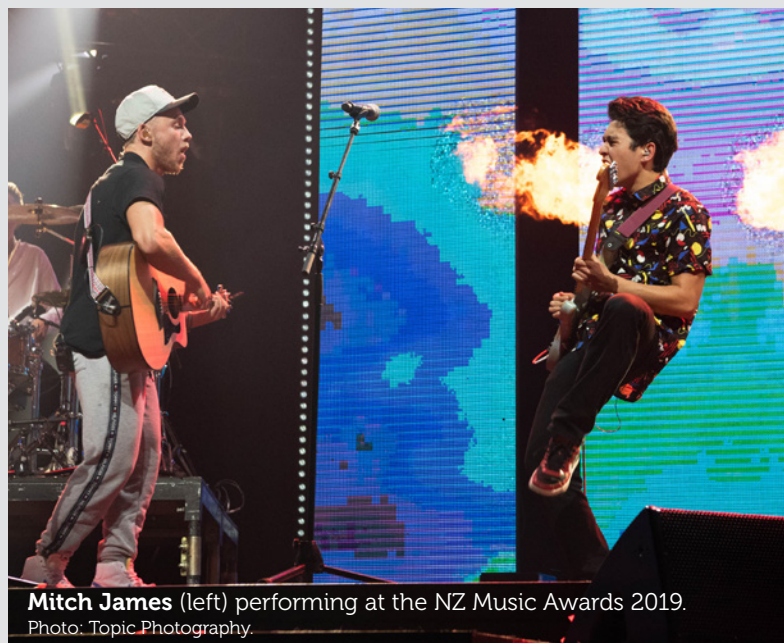
Recorded Music also led a collaboration with other copyright owners, including film makers, television broadcasters and games/interactive media companies. The result was the publication **Kiwi Creativity Doesn't Just Happen** which highlights the combined contribution of our music, screen and interactive media sectors to Aotearoa, and the sectors' priorities for copyright review.

Following the submission process, we have continued work with government including commenting on the proposed framework for the review and participating in an economic analysis commissioned by government. Some of this work has involved substantial resourcing that was not anticipated in the government's initial timeline for the review, however we have been well placed to represent the industry's interests throughout the process.

Government is expected to respond formally to stakeholder submissions in 2020 with an Options Paper, outlining its recommendations for changes to the law, and seeking further stakeholder submissions. Recorded Music will lead the industry's response to the Options Paper.

The music submission, *The NZ Music Industry - Te Ahumahi Puoro o Aotearoa* and *Kiwi Creativity Doesn't Just Happen* are all available on our website and we encourage you to read them to improve your understanding of these important issues facing our industry.

Our work on the Copyright Act is supported by a wider



Mitch James (left) performing at the NZ Music Awards 2019.
Photo: Topic Photography.

program of engagement with Ministers, MPs and government officials on a range of regulatory, trade and music sector issues, advocating for the value of recorded music and the wider industry.

CLOSING

2019 was certainly a year filled with both challenges and successes, and at the time of writing we are well aware that 2020 will deliver a year of unprecedented change and impact our local industry significantly. We are buoyed by the levels of growth the industry has enjoyed in recent years, we are well supported by our members and our industry whanau, and we will face the challenges that 2020 and the years ahead will bring. These challenges will of course present us with new opportunities and Recorded Music NZ is well placed to act swiftly, representing and advocating on behalf of our local music whanau.

My thanks as always to the Board of Directors, representatives on each of the sub-committees and the management team and staff for their devotion to and passion for the organisation's activities.

We are all passionate supporters of music and our artists, and we are honoured to work on their behalf.

He waka eke noa tātou - We are in this waka together

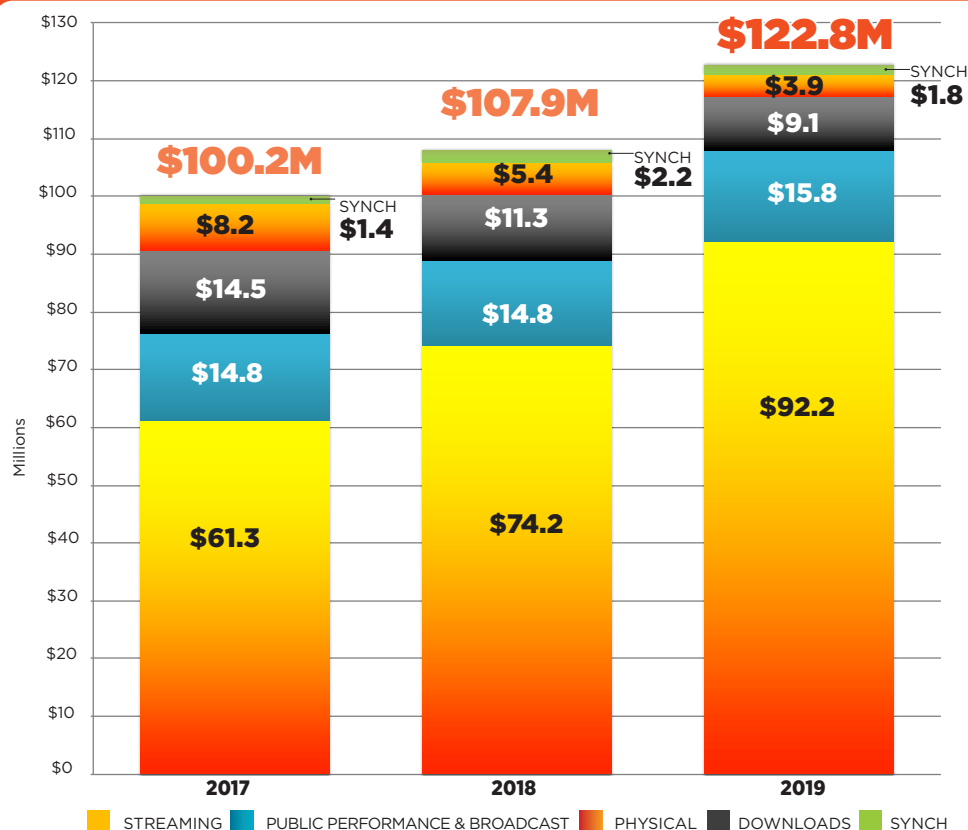
Ngā mihi maioha

Damian Vaughan

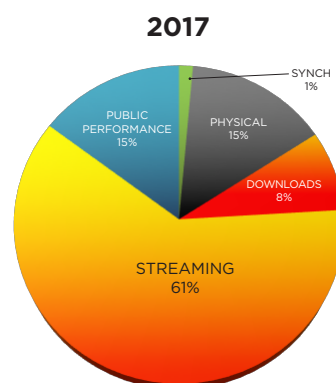
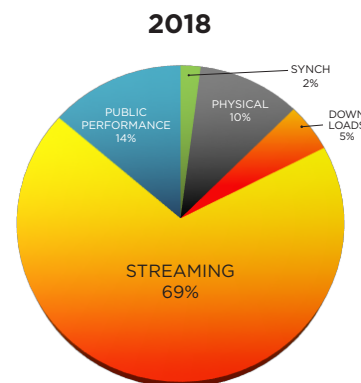
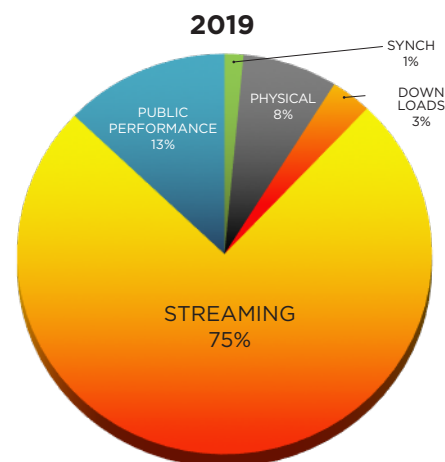
Kaiwhakahaere Matua | Chief Executive Officer
Puoro Rekoata ki Aotearoa | Recorded Music NZ

REVENUE SUMMARY 2019

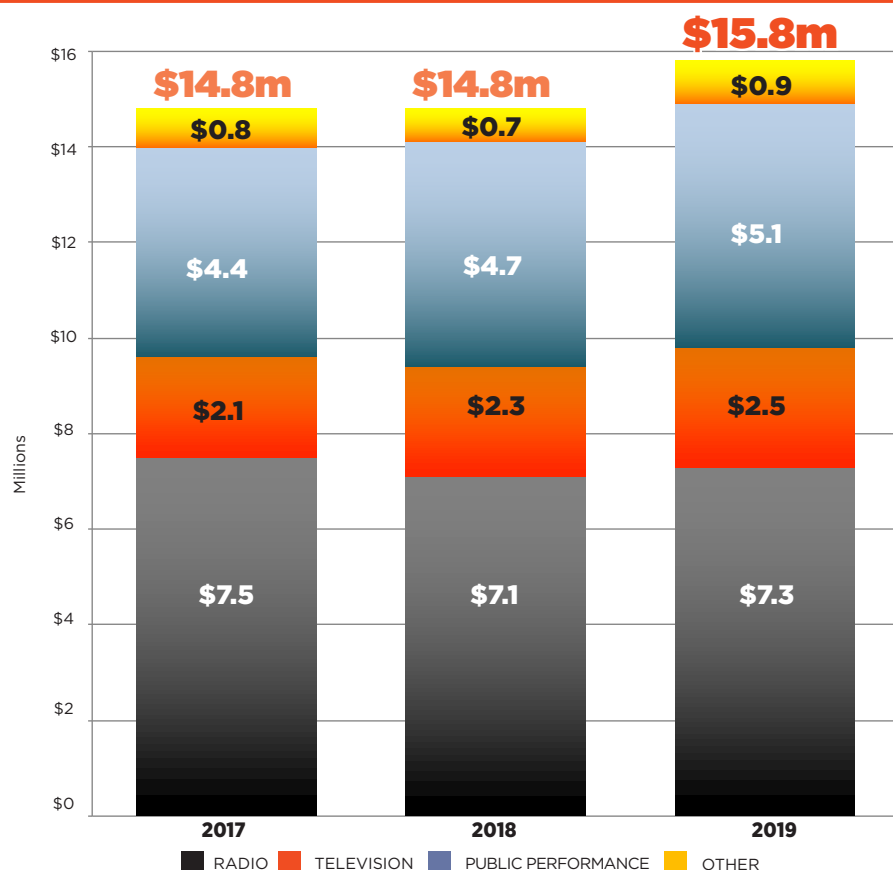
WHOLESALE REVENUES



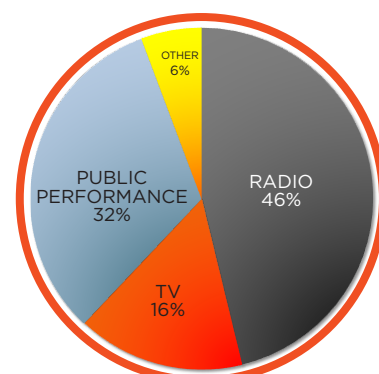
INDUSTRY REVENUE BY TYPE



PUBLIC PERFORMANCE & COMMUNICATION REVENUES



2019 RECORDED MUSIC NZ LICENSING REVENUE BY TYPE



2019 TOP 10 ALBUMS & SINGLES

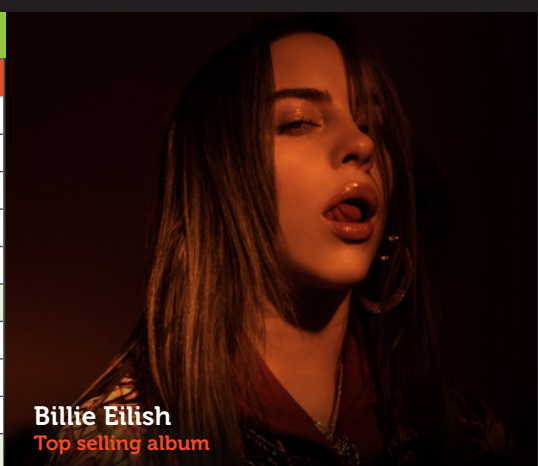
2019 TOP SELLING SINGLES

	ARTIST	TITLE	LABEL	GROUP / DIST.
1	LIL NAS X	OLD TOWN ROAD	LIL NAS X	SONY MUSIC
2	POST MALONE & SWAE LEE	SUNFLOWER	REPUBLIC	UNIVERSAL
3	BILLIE EILISH	BAD GUY	DARKROOM	UNIVERSAL
4	POST MALONE	WOW	REPUBLIC	UNIVERSAL
5	LEWIS CAPALDI	SOMEONE YOU LOVED	VERTIGO	UNIVERSAL
6	ED SHEERAN & JUSTIN BIEBER	I DON'T CARE	ASYLUM/DEFJAM	WARNER/UNIVERSAL
7	KHALID & DISCLOSURE	TALK	RIGHTHAND	SONY MUSIC
8	TONE & I	DANCE MONKEY	BAD BATCH	SONY MUSIC
9	SHAWN MENDES & CAMILA CABELLO	SEÑORITA	ISLAND	UNIVERSAL/SONY
10	LADY GAGA & BRADLEY COOPER	SHALLOW	INTERSCOPE	UNIVERSAL



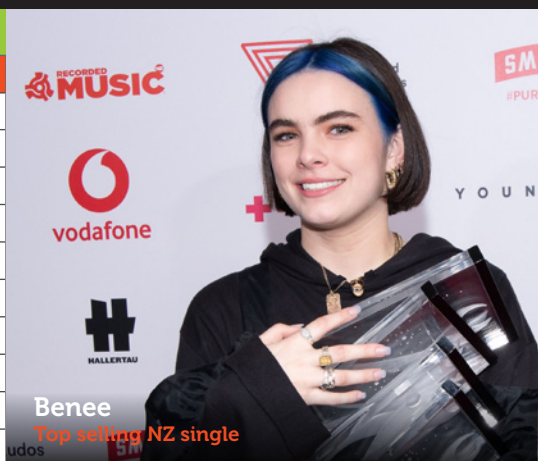
2019 TOP SELLING ALBUMS

	ARTIST	TITLE	LABEL	GROUP / DIST.
1	BILLIE EILISH	WHEN WE FALL ASLEEP...	DARKROOM	UNIVERSAL
2	ED SHEERAN	NO.6 COLLABORATIONS	ASYLUM	WARNER
3	ARIANA GRANDE	THANK U, NEXT	REPUBLIC	UNIVERSAL
4	QUEEN	BOHEMIAN RHAPSODY OST	QUEEN	UNIVERSAL
5	ED SHEERAN	DIVIDE	ASYLUM	WARNER
6	SIX60	SIX60 EP	MASSIVE	UNIVERSAL
7	LADY GAGA & BRADLEY COOPER	A STAR IS BORN OST	INTERSCOPE	UNIVERSAL
8	KHALID	FREE SPIRIT	RIGHTHAND	SONY MUSIC
9	ELTON JOHN	DIAMONDS	VIRGIN	UNIVERSAL
10	SIX60	SIX60 (3)	MASSIVE	UNIVERSAL



2019 TOP SELLING NEW ZEALAND SINGLES

	ARTIST	TITLE	LABEL	GROUP / DIST.
1	BENEE	SOAKED	REPUBLIC	UNIVERSAL
2	SIX60	THE GREATEST	MASSIVE	UNIVERSAL
3	SIX60	VIBES	MASSIVE	UNIVERSAL
4	DRAX PROJECT FEAT. SIX60	CATCHING FEELINGS	DRAX PROJECT	UNIVERSAL
5	DRAX PROJECT FEAT. HAILEE STEINFELD	WOKE UP LATE	DRAX PROJECT	UNIVERSAL
6	SIX60	DON'T GIVE IT UP	MASSIVE	UNIVERSAL
7	SIX60	DON'T FORGET YOUR ROOTS	MASSIVE	UNIVERSAL
8	KINGS	6 FIGURES	ARCHANGEL	DRM
9	DRAX PROJECT	ALL THIS TIME	DRAX PROJECT	UNIVERSAL
10	SIX60	PLEASE DON'T GO	MASSIVE	UNIVERSAL



2019 TOP SELLING NEW ZEALAND ALBUMS

	ARTIST	TITLE	LABEL	GROUP / DIST.
1	SIX60	SIX60 EP	MASSIVE	UNIVERSAL
2	SIX60	SIX60 (3)	MASSIVE	UNIVERSAL
3	SIX60	SIX60 (2)	MASSIVE	UNIVERSAL
4	VARIOUS	OFFERING	THOM MUSIC	SONY MUSIC
5	SIX60	SIX60 (1)	MASSIVE	UNIVERSAL
6	VARIOUS	WAIATA / ANTHEMS	UNIVERSAL	UNIVERSAL
7	MITCH JAMES	MITCH JAMES	SONY MUSIC	SONY MUSIC
8	FAT FREDDY'S DROP	BASED ON A TRUE STORY	THE DROP	RHYTHMETHOD
9	DRAX PROJECT	DRAX PROJECT	DRAX PROJECT	UNIVERSAL
10	VARIOUS	MOANA OST	DISNEY	UNIVERSAL



The Artist's Tui



BOH RUNGA

After Dick Frizzell's inaugural take on the iconic Tui last year, The Artist's Tui is now a hotly anticipated part of the Vodafone New Zealand Music Awards | Ngā Tohu Puoro o Aotearoa – a unique interpretation of the awards and our celebration of Kiwi musicians.

This year, Recorded Music New Zealand was honoured to announce acclaimed artist and jeweller **Boh Runga** as this year's Tui designer.

With several Tui on her own mantlepiece, Boh and her band **Stellar*** took New Zealand by storm in the early 2000's - winning seven Tui at the 2000 NZ Music Awards alone, including Album of the Year, Single of the Year for 'Violent', Top Group and Top Female Vocalist.

Inspired by the Matariki constellation, this Tui design aimed to reflect how far Aotearoa's musicians have come and how hard they work to create art that resonates and connects with others.

Boh, with presenters Laura Daniel and Jon Toogod presents the first Tui of the night.



"I'm so thrilled to have been asked to design the Tui for the 2019 Vodafone New Zealand Music Awards. The initial inspiration came from the idea of us as a people gathering under the night sky, coming together under our Southern constellations to celebrate our artists' musical achievements," says Boh.

"Echoing the way Māori navigated great oceans and distances by the stars, in their own way our artists have navigated obstacles in their musical path to be recognised and honoured. On the most important date in the New Zealand musical calendar the stars have aligned for them."

Echoing 2018, Boh also took the stage to hand out the first Tui of the night – to **Villainy**, who walked away with Best Rock Artist | Te Kaipuoro Rakapioi Toa

Prime Minister, Rt. Hon Jacinda Ardern holding a Boh Runga Tui.





Artisan Awards

Massey University Best Producer | Te Kaiwhakaputa Toa

Best Engineer | Te Kaipukaha Toa

Best Album Cover | Te Kōpaki Pukaemi Toa

NZ On Air Best Music Video | Te Puoro Ataata Toa

Music Teacher of the Year | Kaiārahi Puoro o te Tau

After announcing their partnership in 2018, the fourth annual Artisan Awards were held again at **Massey University's School of Music and Creative Media Production** in Wellington, recognising the behind-the-scenes achievements in Aotearoa's music industry.

Taking out the Massey University Best Producer / Te Kaiwhakaputa Toa was **Josh Fountain** for his work with rising young artists including 2019 Vodafone New Zealand Music Award finalist BENEE as well as FOLEY, LEISURE and MAALA.

Following Avantdale Bowling Club's self-titled album success, **Ben Lawson** and **Vivek Gabriel** received a Tui for Best Engineer / Te Kaipukaha Toa, and the Tui for NZ On Air Best Music Video / Te Puoro Ataata Toa was awarded to Vision Thing for their creative work on Randa's 'Rock Bottom'.

For the second year in a row, **Jaime Robertson** received the Best Album Artwork / Te Toi Ataata Pukaemi award for his artwork on Rhian Sheehan's 'A Quiet Divide'.

In recognition of the incredible teachers and mentors who guide and help shape Aotearoa's musical talent and community, and in association with the NZ Music Commission, the Music Teacher of the Year / Kaiārahi Puoro o te Tau award went to Christchurch's St Andrews College's **Duncan Ferguson**.

And for the first time, the Recorded Music NZ Music Manager of the Year / Kaiwhakahaere Puoro o te Tau was presented at the Artisan Awards by the Music Managers Forum (NZ) to the accomplished **Lorraine Barry**.

Lorraine, who has managed singer songwriter Dave Dobbyn for 14 years, also manages 2019 VNZMA Legacy Award recipients Th' Dudes, finalist Avantdale Bowling Club as well as Nomad and Milly Tabak.

Guests were treated to the MC skills of **Lisa Tomlins**, and performances by **Louis Baker**, **Rikki**, **Ed Zucculo**, **Tama Kirikiri** and **Kura Puke**.



Vision Thing (Best Music Video)



Vivek Gabriel and Ben Lawson (Best Engineer)



Duncan Ferguson (Music Teacher of the Year)



Guest presenter Andrew Scheps with Josh Fountain (Best Producer)



A new initiative highlighting the work of our official charity partner **MusicHelps**, was announced in 2019. Friday 8th November was NZ Music T-Shirt Day, a massive nationwide celebration of the power Kiwi music has to make a positive difference in our lives.

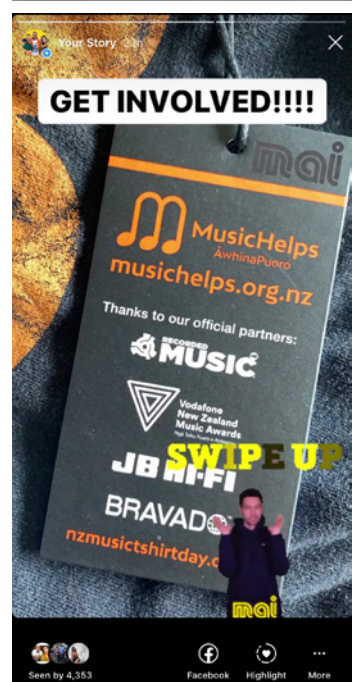
Seven of our greatest music artists generously donated brilliant designs for a set of exclusive, limited edition NZ Music T-Shirt Day shirts. T-Shirts from **Th'Dudes**, **Herbs**, **Lorde**, **Six60**, **Shihad**, **Split Enz** and **True Bliss** were available exclusively through JB Hi-Fi Stores.

Artists, music workers, music lovers, and many of you, our sponsors, donated, posted pics and hashtagged, making it an incredibly successful inaugural year. To date, through donations and T-Shirt sales NZ Music T-Shirt Day has grossed **\$52,777** – ka mau te wehi!

MusicHelps provide support to the dedicated people in our community who use music to help. It supports people across New Zealand with health issues, the disabled, and those who are at risk and vulnerable.



**Official charity partner of the
Vodafone New Zealand Music Awards**
musichelps.org.nz





The Vodafone NZ Music Awards have long recognised the many vital cogs that go into shaping our music community, including the roles producers play, the work of studio engineers, as well as the creative minds behind album artwork and music video.

So with an eye on the future, the Tui Music Series sought to inform and inspire the next generation of creatives. For 2019 Recorded Music NZ, in association with the **NZ Music Producers Guild, NZ On Air, Massey University, SAE Creative Media Institute, The Designers Institute** and **Auckland UNESCO City of Music** held a combination of free public seminars and paid masterclasses in the two weeks leading up to the 2019 Vodafone NZ Music Awards.

The ambitious programme featured 15 speakers over 7 seminars in two cities.

The Producer seminars featured renowned producers **Andrew Scheps** (3-time Grammy winner, Adele, Red Hot Chili Peppers, Beyonce, Metallica, US, Green Day, Lana Del Ray), **Mark Rankin** (2-time Grammy winner, Bloc Party, Florence & The Machine, Adele, Weezer, Queens of the Stone Age), and in Auckland, Grammy and Tui winner, **Joel Little** (Lorde, Broods, Taylor Swift, Imagine Dragons).

The Film and Design seminars were comprised of guests who came from different aspects of the process - artist, publicist and creative. Guests included **Neill Fraser** and **Thom Watts** from Tui-winning band **Villainy**, Tui-winning designer **Kelvin Soh**, and Tui-nominees **Louis Baker** and **Estère**.

Both Producer seminars reached capacity for the first time, and many of the other seminars reached near-capacity, reflecting the quality of the speakers and the interest in the subject as we build the vital career pathways for our industry. Overall, we garnered **634 RSVPs** to the 7 events - a **66%** increase on the previous year.

The Producer Series master class sessions at Auckland's **Roundhead Studios** were also over-subscribed, with curator Greg Haver putting on additional workshop days for Andrew Scheps to accommodate the high demand to learn from one of the world's greatest producers. Both Scheps and Rankin worked with local artists on a song during the week in order to demonstrate process and technique. This year's artists were solo artist **MISSY** (Scheps) and group **ALAE** (Rankin).



WORKSHOP
PARTICIPANTS



INCREASE IN
SEMINAR REGISTRATION



Andrew Scheps



P-Money, Estère



MISSY (Abigail Knudson)



Bic Runga



Mark Rankin



Marika Hodgson (ALAE)

DIRECTORY

FOR THE YEAR ENDED 31 DECEMBER 2019

Year of Incorporation 1957 WN 10515

Registered Office Level 1, 2A Hakanoa Street
Grey Lynn
Auckland

Business Address Level 1, 2A Hakanoa Street
Grey Lynn
Auckland

Directors C Caddick (Chair)
N Atkinson
K Boshier
S Cockle
N Harrop
A Holt

Shareholder Extensive shareholding

Auditor KPMG
Auckland

BENEE

The Grey Lynn native took home four Tuis in 2019 - Single of the Year, Solo Artist, Breakthrough Artist & Best Pop Artist.

Photo supplied.



STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$	2018 \$
REVENUE			
Licence Fees		15,756,699	14,824,186
Interest Income		315,772	330,536
TOTAL INCOME		16,072,471	15,154,722
EXPENSES			
Operating expenses	5	(3,607,901)	(3,184,547)
Administrative expenses		(145,451)	(145,011)
TOTAL EXPENSES		(3,753,352)	(3,329,558)
FUNDS AVAILABLE FOR DISTRIBUTION	3	(12,319,119)	(11,825,164)
PROFIT FOR YEAR		-	-

This statement is to be read in conjunction with the notes to the financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Note	2019 \$	2018 \$
ASSETS			
Cash and cash equivalents		1,244,368	499,039
Trade and other receivables		2,121,549	2,462,262
Short term deposits		10,982,056	10,651,324
Investments		147,577	147,577
Right of use asset	5	420,414	-
Property, plant and equipment		76,890	68,318
TOTAL ASSETS		14,992,854	13,828,520
LIABILITIES			
Trade payables and accruals		873,864	774,325
Lease liability	5	420,414	-
Funds held available for distribution	3	12,548,576	12,054,195
Funds retained for provisions	3	1,150,000	1,000,000
TOTAL LIABILITIES		14,992,854	13,828,520

This statement is to be read in conjunction with the notes to the financial statements.

TROY KINGI

Best Māori Artist and Best Roots Artist.

Photo supplied.



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts of licence fees	15,963,669	15,031,797
Distributions to companies and recordings artists	(11,674,742)	(11,453,473)
Paid to suppliers and employees	(3,488,053)	(3,471,112)
Net cash from operating activities	<u>800,874</u>	<u>107,212</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	315,772	330,536
Acquisition of property, plant and equipment	(40,585)	(17,988)
Movement in short term deposits	(330,732)	(477,803)
Net cash from investing activities	<u>(55,545)</u>	<u>(165,255)</u>
NET (DECREASE)/INCREASE	<u>745,329</u>	<u>(58,043)</u>
Opening cash and cash equivalents 1 January	499,039	557,082
Closing cash and cash equivalents	<u><u>1,244,368</u></u>	<u><u>499,039</u></u>
Made up of:		
Bank balances	1,244,368	499,039
TOTAL CASH AND CASH EQUIVALENTS	<u><u>1,244,368</u></u>	<u><u>499,039</u></u>
This statement is to be read in conjunction with the notes to the financial statements.		

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL OVERVIEW

a) Reporting Entity

Recorded Music New Zealand Limited (the "Company") is a limited liability company incorporated and domiciled in New Zealand.

The Company acts as an authorised representative of the major sound recording manufacturing and distributing companies in New Zealand to license, control and promote the public performance and broadcasting of their copyright in sound recordings and music videos and to collect fees in respect thereof. Distributions are then made to the appropriate copyright holder.

The Company is registered under the Companies Act 1993 and the financial statements comply with the Financial Reporting Act 2013. The Company is considered to be a profit-oriented entity for the purposes of financial reporting as it seeks to maximise distributions to its shareholders.

The financial statements presented are for the Company as at and for the year ended 31 December 2019 and were authorised for issue by the directors on the date specified on page 5.

b) Basis of preparation

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with the New Zealand Equivalents to International Financial Reporting Standards - Reduced Disclosure Regime ('NZ IFRS RDR') as appropriate for Tier 2 for-profit entities applying reduced disclosure reporting concessions. The Company has elected to report under Tier 2 For-Profit Accounting Standards on the basis that it does not have public accountability.

These financial statements have been prepared on the basis of historical cost.

The financial statements are presented in New Zealand dollars (\$) which is the Company's functional currency, rounded to the nearest dollar.

The Company has not reported any profit, other comprehensive income or a statement of changes in equity/net assets. This is because all income, net of expenses, is distributed to the appropriate copyright holders.

The statement of financial position is presented in order of liquidity. The Company has uncalled capital and no retained earnings.

New standards and interpretations - NZ IFRS 16 Leases

The Company has applied NZ IFRS 16 Leases from 1 January 2019. It replaces NZ IAS 17 Leases and NZ IFRIC 4 Determining whether an Arrangement contains a Lease. The Group has applied NZ IFRS 16 using the modified retrospective approach. The cumulative effect of initial application is recognised in retained earnings as at 1 January 2019. Therefore the comparative information has not been restated and the information presented for 2018 does not generally reflect the requirements of NZ IFRS 16, but rather those of NZ IAS 17 and NZ IFRIC 4.

Transition

As a result of the adoption of NZ IFRS 16, the Company recognises right-of-use assets and lease liabilities in the statement of financial position. The entity has elected not to apply the lease accounting model to short term leases and low value assets.

Leases previously classified as operating leases under NZ IAS 17

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

Leases previously classified as finance leases under NZ IAS 17

At transition, the carrying amount of the right-of-use asset and the lease liabilities at 1 January 2019 are determined as the carrying amount of the lease asset and lease liability under NZ IAS 17 immediately before that date. The Company discounted lease payments using its incremental borrowing rate of at 1 January 2019.

c) Use of estimates and judgements

The preparation of the financial statements in conformity with NZ IFRS RDR requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Please refer to note 5 for information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements.

2. ACCOUNTING POLICIES

a) Revenue

Revenue is recognised in the statement of profit and loss when the performance obligation associated with the respective contract is satisfied and can be reliably measured. The main types of revenue are licence fees from radio and TV, public performance and compilers. Net income from sponsorship and other income received in relation to the Music Awards is included in operating expenses.

b) Trade and other receivables

Trade and other receivables are initially recognised at fair value, being their cost, and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

c) Distributions to licensees

The annual income from broadcasting and public performance licence fees and miscellaneous income received, less the amount retained (to meet liabilities contingent and otherwise), are apportioned to the New Zealand licensees. An expense is recognised in full in the period that the income is received as the Company has an obligation to its licensees to distribute these funds. This obligation is shown on the statement of financial position as funds available for distribution.

d) Funds available for distribution

The funds for distribution are retained in Trust pending the receipt and analysis of airtime data received from broadcasters. The pro-rata distribution of surplus funds is determined on Radio and Television airtime. In the interim, these funds are placed on short term investment to attract interest income.

e) Funds retained for liabilities

An amount is retained from the funds available for distribution to licensees to meet liabilities, contingent and otherwise. The Company has a present obligation and the obligation can be estimated reliably.

f) Investments in short term deposits

Investments are measured at cost less accumulated amortisation and accumulated impairment losses. Interest income is earned on funds invested and term deposits. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

g) Trade payables and accruals

Trade and other payables are measured at amortised cost, being their fair value.

h) Taxes

The Company acts as a nationwide non-profit representative for New Zealand licensees. Surpluses are fully distributed and consequently the Company is only liable to pay taxes on timing differences arising from accruals made. The withholding tax on interest income has been deducted; however, due to an IRD ruling no terminal tax is payable by the Company but will be payable by the members. The financial statements have been prepared on a GST exclusive basis except for receivables and payables that are stated inclusive of GST.

i) Financial instruments

Financial assets and liabilities are classified into the following categories:

- Loans and other receivables include cash and cash equivalents, trade and other receivables, and short term deposits.
- Other amortised cost include trade payables and accruals, and funds retained and distributable.

j) Leases

For contracts entered into after 1 January 2019, at inception of a contract, the Company assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset.

Recognition and measurement

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to restore the property at the end of the lease.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in the market rate in accordance with the contract.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use has been reduced to zero.

Recognition under IAS 17 Leases

The use of assets under leases were previously classified as operating leases and were not recognised in the Company's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

3. MOVEMENTS IN FUNDS FOR DISTRIBUTION

The Company pays a distribution to its members each year, consisting of the prior year earnings, less any deductions for expenses and reserves for future anticipated expenditure.

Funds at the beginning of the year
Funds distributed to companies and recording artists during the year
Transfer to funds retained for provisions
Funds receipted (net of expenses) available for distribution next year
Funds at the end of the year

Funds retained for provisions
Funds held available for distribution
Funds at the end of the year

	2019	2018
Funds at the beginning of the year	12,054,195	11,795,324
Funds distributed to companies and recording artists during the year	(11,674,740)	(11,453,472)
Transfer to funds retained for provisions	(150,000)	(112,821)
Funds receipted (net of expenses) available for distribution next year	12,319,119	11,825,164
Funds at the end of the year	12,548,576	12,054,195
Funds retained for provisions	1,150,000	1,000,000
Funds held available for distribution	12,548,576	12,054,194
Funds at the end of the year	13,698,576	13,054,194

4. RELATED PARTIES

The funds distributed to companies and recording artists are related party transactions as they are with shareholders in the Company.

The following remuneration was received by directors during the year:

Chris Caddick
Nicky Harrop
Nick Atkinson
Peter Baker
Paul McKessar
Total

	2019	2018
Chris Caddick	48,000	48,000
Nicky Harrop	4,000	-
Nick Atkinson	4,000	-
Peter Baker	2,000	8,000
Paul McKessar	2,000	6,000
Total	60,000	62,000

5. LEASES

Statement of financial position

Right-of-use asset
Lease liability

Statement of profit and loss

Depreciation on right-of-use asset

	2019	2018
Right-of-use asset	420,414	-
Lease liability	420,414	-
Depreciation on right-of-use asset	111,800	-

In 2018 operating lease expenses of \$111,800 was included in the statement of profit and loss. There is a right of renewal of two years on the lease subsequent to 31 December 2019. The total cash outflow for leases in 2019 was \$111,800 (2018: \$111,800).

6. COMMITMENTS AND CONTINGENCIES

There are no capital commitments at balance date (2018: nil). Operating lease commitments for leases of a premises at Hakanoa Street are payable as follows:

Less than one year
Between one and five years
More than five years

	2019	2018
Less than one year	-	111,800
Between one and five years	-	9,317
More than five years	-	-
	-	121,117

In 2018 operating lease expenses of \$111,800 was included in the statement of profit and loss. There is a right of renewal of two years on the lease subsequent to 31 December 2019. There are no contingent liabilities (2018: nil).

7. SUBSEQUENT EVENTS

There have been no subsequent events which impact on the financial statements (2018: nil).

In recent weeks, many countries have enacted protection measures against COVID-19, with a significant impact on the daily life, production and supply chain of goods in these countries and beyond. The evolution of COVID-19 as well as its impact on the global economy, and more specifically, on the company's activities, is hard to predict at this stage. The company is monitoring the situation to ensure the safety of its staff as well as to adapt its services and operations.



Independent Auditor's Report

To the shareholders of Recorded Music New Zealand Limited

Report on the financial statements

Opinion

In our opinion, the accompanying financial statements of Recorded Music New Zealand Limited (the company) on pages 22 to 27:

- i. present fairly in all material respects the company's financial position as at 31 December 2019 and its financial performance and cash flows for the year ended on that date; and
- ii. comply with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime.

We have audited the accompanying financial statements which comprise:

- the statement of financial position as at 31 December 2019;
- the statement of profit and loss and statement of cash flows for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the company in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

Our firm has also provided other services to the company in relation to tax services. Subject to certain restrictions, partners and employees of our firm may also deal with the company on normal terms within the ordinary course of trading activities of the business of the company. These matters have not impaired our independence as auditor of the company. The firm has no other relationship with, or interest in, the company.



Other information

The Directors, on behalf of the company, are responsible for the other information included in the entity's Annual Report. Other information includes the Chairman's Report and the Chief Executive's Report. Our opinion on the financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

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



Use of this independent auditor's report

This independent auditor's report is made solely to the shareholders as a body. Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.



Responsibilities of the Directors for the financial statements

The Directors, on behalf of the company, are responsible for:

- the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime);
- implementing necessary internal control to enable the preparation of a set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent 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 ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 these financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

This description forms part of our independent auditor's report.

KPMG
Auckland

14 April 2020



RECORDEDMUSIC.CO.NZ

New Zealand Music Awards | Ngā Tohu Puoro o Aotearoa nzmusicawards.co.nz

The Official NZ Music Charts | Te Papa Tātai Waiata Matua o Aotearoa nztop40.co.nz

The New Zealand Music Hall of Fame | Te Whare Taonga Puoro o Aotearoa musichall.co.nz

Public performance licensing by OneMusic onemusicnz.com

Protecting and promoting our music promusic.co.nz

Supporting the creative sector aucklandcityofmusic.nz



Vodafone
New Zealand
Music Awards
Ngā Tohu Puoro o Aotearoa



RECORDED
MUSIC
LICENSING

One
Music

PRO
MUSIC

MUSIC
GRANTS



AUCKLAND
UNESCO CITY OF MUSIC
TĀMAKI MAKĀURAU
UNESCO PĀ PUORO

Freephone 0800 88 77 69 Phone (09) 360 5085 Email info@recordedmusic.co.nz
Online recordedmusic.co.nz Post Private Bag 78850 Grey Lynn Auckland 1245
Street Address Level 1, 2a Hakanoa St, Grey Lynn, Auckland 1021