

Mā te puoro, ka tuia

Mā te puoro

Through music,
we are united

ka tuia mā



RECORDED MUSIC NEW ZEALAND

Annual Report for the year ended 31 December 2020

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Cover image:

Co-host Sharyn Casey and artist Rob Ruha hongu at AMA 2020.

Inside front cover image:

Ibanez Maeva and Stan Walker at AMA 2020.

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CHAIRMAN'S REPORT



Like many other organisations worldwide Recorded Music New Zealand's activities and financial performance were severely affected by Covid 19.

At the onset of the pandemic our first priority was the health and wellbeing of our staff, with rapid arrangements put in place for all staff to work from home for as long as necessary. We then turned our attention to the needs of the greater New Zealand music community, joining together with other industry organisations to respond to the challenges that most in the music industry faced. Substantial support was provided to MusicHelps whose focus is on assisting local musicians.

In March we re-forecast our financial projections extremely conservatively and trimmed expenses accordingly. Despite our worst forebodings, the world-leading government response to the pandemic ensured the economy weathered the storm reasonably well. Our financial results and the corresponding distribution are very pleasing in the circumstances.

A dramatically re-tooled Music Awards took place in November thanks to the generous support of New Zealand On Air. Despite the constant uncertainty and stressful nature of the preparations, the Music Awards team produced an event we can all be proud of. Together with our partners APRA AMCOS New Zealand we welcomed six artists into the New Zealand Music Hall Of Fame | Te Whare Taonga Puoro o Aotearoa. These artists pioneered the New Zealand music industry in the 1960s, paving the way for the vibrant music scene we all enjoy today.

Jo Oliver has continued liaising with the Government regarding the Copyright Act review. The pandemic understandably, if frustratingly, has delayed progress in the review, with indications from MBIE that it has been pushed back further in 2021.

Jo has been at the forefront of the pan-industry initiative SoundCheck Aotearoa whose mission is to foster a safe and inclusive culture for the New Zealand music community. The initial focus of the group is the prevention of and response to sexual harm, a topic which has been covered extensively in the media.

Our goal in 2021 is to provide a stable result for our stakeholders, whilst being aware that circumstances will necessarily limit some of our activities. We are undertaking a major strategic review to clarify and focus our mission statement, vision and values.

Throughout 2020 the organisation has been led with calm authority by our CEO Damian Vaughan. The Board extends its thanks to Damian and all the staff at Recorded Music New Zealand for riding the storm with commitment and determination. My thanks to the Board for its unified response to the unprecedented challenges of 2020. We look forward to sunnier skies in 2021.

Chris Caddick

Chris Caddick
Chairman, Recorded Music NZ



LARRY'S REBELS

Larry's Rebels were one of six trailblazing artists inducted into the **New Zealand Music Hall of Fame | Te Whare Taonga Puoro o Aotearoa** in 2020. All six artists were acknowledged at the Aotearoa Music Awards. Read more about this year's inductions on page 15.

CHIEF EXECUTIVE'S REPORT

Tēnā koutou

2020 was a year like no other. Our music industry in Aotearoa weathered massive change and uncertainty as we adapted and adjusted to what was thrown at us throughout the year. Our artists and members endured significant challenges, especially as live performance became impossible, and all of us had to modify and adapt. Throughout it all I am extremely proud of our team (and our music industry whānau) and the way that we worked to support our artists and wider music community that were impacted.

Recorded Music NZ was not immune, and our mahi was more significantly affected than the wider recorded music sector. While our staff were able to work from home, the conditions placed immense stress on our connected/integrated organisations and activities such as OneMusic, broadcast licensing, the Aotearoa Music Awards, Music Grants and MusicHelps. Our sincere thanks to the government backed music agencies, the NZ Music Commission, NZ On Air and Te Māngai Pāho who ensured many of our core projects last year could be delivered. Ngā mihi nui.

While many parts of the industry were impacted considerably the wider recorded music sector was reasonably resilient and we are pleased to report that the industry has now attained the highest revenue peak for the sector since records began. Certainly, a strange time to achieve that milestone, however it shows that kiwis' love of streaming music remained strong throughout the Covid experience, despite challenges in other forms of music use and consumption.

REVENUE SUMMARY 2020 SNAPSHOT

(refer to Page 9 for Revenue Summary 2020 graphs)

INDUSTRY INCOME

- In 2020 the industry contracted slightly for the first time in 6 years, however as 2019 numbers were retroactively adjusted to include some additional income from social media services (and are now also incorporated in the 2020 results), both years show that the industry has returned and surpassed the previous local industry revenue peak of 2001.
- In 2020 streaming revenue derived from services such as Spotify, Apple Music and YouTube, and social media services such as Facebook grew by **4%** to **\$98.6M** and represent **78%** of all income.
- Digital downloads declined in 2020 again and now just represent **3%** of all income at **\$3.2M**.
- Physical income derived from CD and Vinyl sales also continued the declining trajectory of recent years and represents **7%** of industry revenue at **\$8.5M**. Vinyl however continues to grow and now represents **50%** of all physical product sold in Aotearoa.
- Synch remained the smallest revenue channel and was stable in 2020, representing less than **1%** of all income at **\$1.7M**.

- The income derived from the collective licensing of Recorded Music NZ via Public Performance and Broadcast dropped approximately **14%** to **\$13.8M** in 2020 (representing **11%** of all revenue) from a record income year in 2019 of **\$16M**.

LICENSING

Our collective licensing income was significantly impacted as Covid took hold and we ended the year short of our budget expectations. The most affected areas were our two largest income streams - Commercial Radio and Public Performance.

Commercial Radio which is generally licensed based on a share of advertising income was massively impacted during the first lockdown, however advertising continued to improve throughout the year, and we ended 2020 at approximately 80-85% of 2019 income. We expect that recovery to continue slowly throughout 2021, however it remains to be seen if advertising revenues will return to pre-Covid levels.

Public Performance income was also significantly impacted and was more closely aligned to alert levels changing as retail and hospitality businesses had to close or were forced into restricted operations. It has been difficult in this space both for music users and our teams making the necessary adjustments but our **OneMusic** team performed admirably, liaising with our licensees and customers, and working through the challenges that individuals and businesses were facing.

We also expect Public Performance licensing revenue to recover, albeit slowly as vaccines are rolled out and alert level changes become less likely, but again it may be some time before we return to pre-Covid levels of income.

In contrast, our third largest income stream - Television and VOD services and their respective incomes fared well throughout Covid and the main services reported to us almost in line with our original budget for 2020. We were also pleased to complete a new long-term agreement with TVNZ which was negotiated remotely during lockdown.

As we move into 2021, we will have several smaller Broadcasting agreements to negotiate, and a key priority will be supporting the OneMusic team as they continue to build the business back throughout the year and maximise our Public Performance licensing income.

MEMBERSHIP AND DISTRIBUTION

Throughout the lockdown periods we collaborated closely with other industry bodies to support our members and the wider music community. A key priority was to get information out about assistance available from government and industry sources. We also worked with other industry bodies and the live sector to lobby government for music sector support, which resulted in the NZ

Music Recovery Fund. This package included increased funding to NZ On Air and to the NZ Music Commission to support initiatives including domestic touring, and smaller music venues across Aotearoa.

We were pleased to bring the annual distribution forward a few weeks. The distribution in 2020 was **\$12.1M** which was the largest distribution we had ever made, and also the largest to NZ recording artists & respective rights holders at **\$2.2M**, comprising of **2,545** recording artists and **18,763** recordings. We were also pleased to distribute approximately \$100,000 of previously allocated unclaimed royalties to artists/rightsholders during the first lockdown.

Adopting our **'Get Played, Get Paid'** promotion online, the number of NZ recording artists now registered is **3,512** (a 9% increase since 2019). The current number of NZ master rights owners registered is **2,582** (including self-released artists) and those who have also elected to become shareholders is **1,106** (an **18%** increase since 2019).

As our income dropped by 14% last year, the 2021 distribution will be less, but I am pleased to say our distribution will only be down **10%** in 2021 compared to 2020, which all things considered is a very satisfying result.

While our reduced income meant we had to suspend the 2020 **Music Grants** programme, we were able to make a donation to MusicHelps to support our wider music community through Covid. I am pleased to report that, with our help and the wider industry effort, **MusicHelps** raised close to \$1M through the **MusicHelpsLive** appeal.

MusicHelps has distributed those funds in a variety of ways including 600+ x \$500 grants to individuals, 30 x small venue grants to venues around the country (via the Save Our Venues campaign) and 20+ larger grants to affected production companies in the live music sector.

[see page 13]

CHARTS

Thankfully, our data management and chart publishing systems were already remote, which meant that there was minimal disruption to this area of our business, and we are very pleased to report that there were some extremely positive NZ music chart moments in 2020.

For the first time since 2004, NZ music took out both the top spots on the end of year **Official NZ Music Charts**. With **L.A.B.** taking the singles honours with their huge track 'In the Air' and **Six60** with their massively popular third full length album 'Six60'. 2020 also saw two kiwi artists in the US Billboard Top 10 with **Jawsh 685's** 'Savage Love' and **Benee's** 'Supalonely' making headlines around the world.

The proportion of NZ music also grew across radio and will have a flow on effect to our distribution in 2021. The final figure for New Zealand music airplay on commercial radio in 2020 was 20.95% which surpasses the previous highest figure achieved in 2005 of 20.77%. NZ music across public, student and Iwi radio also had exceptionally strong local content results in 2020.

AOTEAROA MUSIC AWARDS

2020 also saw us launch our new **Aotearoa Music Awards (AMA)**. This change supported what we had been building over many years – recognising Aotearoa's tangata whenua, te reo Māori and the importance of Te Ao Māori in our lives, our communities and in our music.

The awards build-up, supporting events such as the AMA Artisan Awards, the Aotearoa Music Producer Series (AMPS) and the AMA night itself - a three and a half hour, 19 performance event that was broadcast live on The EdgeTV, THREE and ThreeNow - were all noticeably different than in previous years. Our congratulations to **The Beths** for winning Album of the Year for 'Jump Rope Gazers', to **Benee** for winning Single of the Year for her song 'Supalonely' and to supergroup **Mōhau** for winning the returned Mana Reo award acknowledging music recorded in te reo Māori.

Along with the rest of the usual awards presented we were also honoured to welcome 6 artists into the **NZ Music Hall of Fame** – **Johnny Cooper, Larry's Rebels, Peter Posa, Dinah Lee, Max Merritt** and **The Chicks**. There were amazing performances, heartfelt acceptance speeches, wonderful and innovative production elements, a strong focus on charity and the enormous power of music to help and heal (including the work of MusicHelps), and a very welcome opportunity for the industry and the public to come together to celebrate our creative whānau and their music. [see Page 15]

I am enormously proud of our team and the way that we worked as one cohesive unit when we had to adapt and make changes. After 55 years of staging the event, it fills me with incredible optimism for the future of the Aotearoa Music Awards and the continued evolution of the event.

SOUNDCHECK AOTEAROA

As the year came to a close, Recorded Music was among the organisations that founded **SoundCheck Aotearoa**, an action group with the mission to foster a safe and inclusive culture in the music community. SoundCheck Aotearoa aims to acknowledge

the challenges and problems in our music industry and find ways to work together across the music community to achieve meaningful and lasting change in 2021 and beyond. [see Page 10]

2021 PRIORITIES

We will undertake a strategic review throughout 2021, realigning and refocusing our goals moving into a post-Covid world. As we navigate our waka through this process, we will ensure many of our core functions and activities are continued, including our collective licensing activities, OneMusic, Government and other stakeholder engagement, the Aotearoa Music Awards, The NZ Music Hall of Fame, the AMA Artisan Awards, the Aotearoa Music Producer Series, The Official Charts, and administering our Music Grants scheme which we are pleased to say is back up and running again in 2021. As in previous years, 1% of our net distribution will be made available via grants for educational, archival, or charitable projects including to support the charitable work of MusicHelps.

Other priorities for us include continuing to support SoundCheck Aotearoa and bringing the learnings from that group into our own work; supporting the industry wide initiative Oro to promote the growth of te reo Māori music creation and establishing a bilingual music industry in Aotearoa; continuing to engage with government on the Copyright Act review and other free trade agreements that will impact our sector; and renewing the **Auckland UNESCO City of Music** project with Auckland Council.

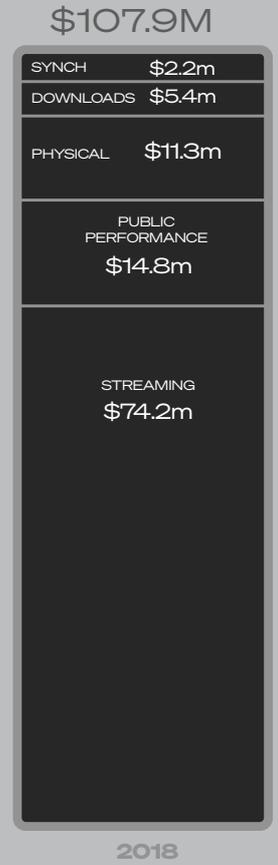
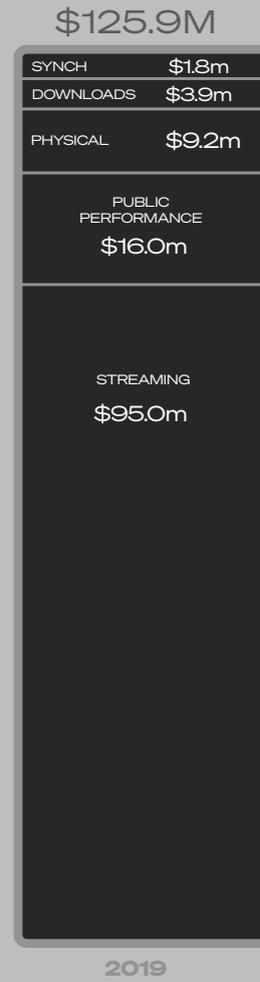
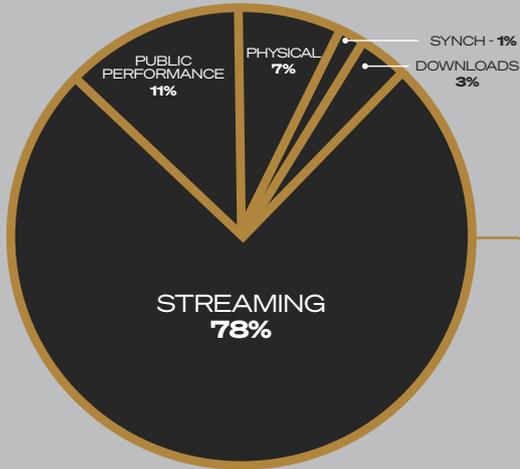
My sincere thanks to the Recorded Music NZ Board and our amazing team who pulled together so wonderfully last year. Given the pressured environment of the past 12 months, I am extremely optimistic about our ability to not only navigate future challenges but that we have all the skills and capacity necessary to rebuild and grow our world class music industry in 2021.

Mā te puoro, ka tuia. Through music, we are united.

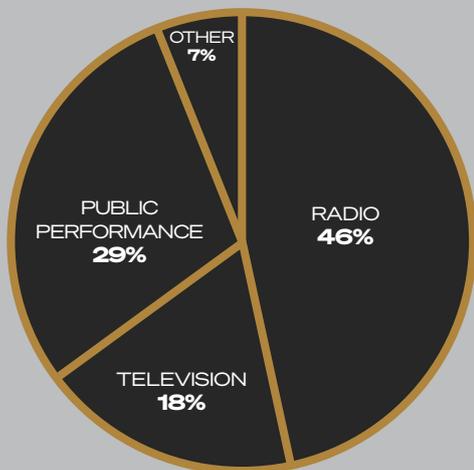


Damian Vaughan
Kaiwhakahaere Matua | Chief Executive Officer
Puoro Rekoata ki Aotearoa | Recorded Music NZ

WHOLESALE REVENUES



PUBLIC PERFORMANCE & COMMUNICATION REVENUES



SOUNDCHECK AOTEAROA

A safe and inclusive culture for the music community
Hei kōrero, hei wero, hei kōkiri anō hoki

SoundCheck Aotearoa is an action group formed in 2020, with a mission to foster a safe and inclusive culture for the music community.

We believe that action is needed to address inequitable representation, challenge systemic discrimination, and advance impactful change, and we are looking at ways to work together across the music community to achieve this.

In recognition of Māori as tangata whenua of Aotearoa and as partners of Te Titiri o Waitangi we are working with Māori industry leaders to look at ways in which Te Ao Māori can contribute to the work on these wider issues, along with considering the unique challenges facing Māori within the industry.

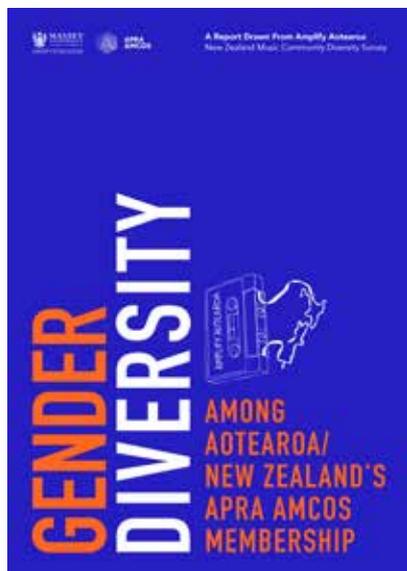
Our first project is directed at the prevention of and response to sexual harassment and assault (sexual harm) in our music community. We believe that everyone is entitled to a safe

workplace where they are respected and free from harm, whether that workplace is a music venue, a festival stage, a meeting in a bar, or a recording studio.

We are talking with people across the music community to get their views and ideas about the challenges and problems in our sector, and what we could do together to address them. We are also working with independent experts in sexual harm prevention to get their advice.

SoundCheck Aotearoa is committed to the long term mahi needed to support our music community to be safer and more inclusive. But we cannot do this alone. We are calling on everyone in the music community to step up and contribute to meaningful positive change.

For more information and to find out what you can do to get involved, check out our website at soundcheckaotearoa.co.nz, or contact us at info@soundcheckaotearoa.co.nz



Amplify Aotearoa

Research from Massey University in partnership with APRA AMCOS has helped to inform our work. Amplify Aotearoa, published in November 2020, revealed that:



Information and resources

While work is underway to develop a long term plan, there are steps you can take in your workplace, and resources you can use, to start making a difference right now. Check out the resources available from our website at soundcheckaotearoa.co.nz/resources

Our resources page also includes:

- Tips on dealing with disclosures of sexual harm
- Information and options for reporting sexual harm
- WorkSafe Guidance for businesses and workers about sexual harassment in the workplace

We all know that music helps, and in times of tragedy music heals and unites us.

It's more important than ever to support individuals and organisations that use music to help others. This year the Aotearoa Music Awards shone a light on some of the organisations doing wonderful things across our industry, using music to help our communities and heal our whānau.

We were lucky to be able to showcase some of these organisations and tell their stories, and use the Awards as a platform to invite people to support the amazing work they do. Over 1500 text donations were received during the night.





MusicHelps | ĀwhinaPuoro is the New Zealand music industry charity and is proudly supported by Recorded Music NZ.

Established in 2012 it invests in projects around the country that use the power of music to change the lives of New Zealanders in need. It provides emergency assistance to hundreds of kiwi music people experiencing hardship and illness and provides help including a world first, professional, online, on-the-phone and face-to-face counselling service tailored to people who make our music possible.

In April 2020, MusicHelps launched the **MusicHelpsLive** appeal to support those within the music community who would be severely impacted by the Covid lockdown. Recognising early that the live music industry and everyone in it, was going to experience difficulties. With closed borders and international tours coming to an abrupt halt, MusicHelps was well aware that live music would be one of the first sectors to be hit and likely the last to recover. It was a massive threat to the livelihood of hundreds of people in our music industry.

With the help of some trusted partners, like Recorded Music NZ, Spotify and others, right down to the contributions of thousands of music loving kiwis, MusicHelps has been able to support hundreds of artists, music industry workers, venues and businesses right throughout Aotearoa.

We were able to launch a publicity campaign with the help of SkyTV and MediaWorks who gifted airtime for campaign commercials to be aired on their networks. The commercial, expertly produced by our AMA creative agency, Likeminds, featured artists such as Sir Dave Dobbyn, Tali, Stellar, Melodownz, Devilskin, P Money and others fronting the public appeal for donations.

Further interstitials were produced that focused on various charity beneficiaries and this was screened at AMA 2020. By utilising the AMA platform we were able to create a secondary surge in public donations to the appeal.

It was a monumental operation and a tremendous achievement through a very difficult time for all of us. MusicHelps and Recorded Music NZ acknowledges all of those who helped, contributed, and played a part in keeping the music going throughout Aotearoa.



Screen shot from MusicHelpLive commercial

MUSICHELPSLIVE



FUNDS RAISED

\$850K



DONORS

11.3K



DISTRIBUTED

100%

Distribution

583
music workers in need
throughout Aotearoa



Musicians



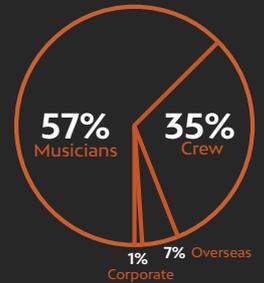
Production/Crew/
Backroom workers



Music workers
living overseas

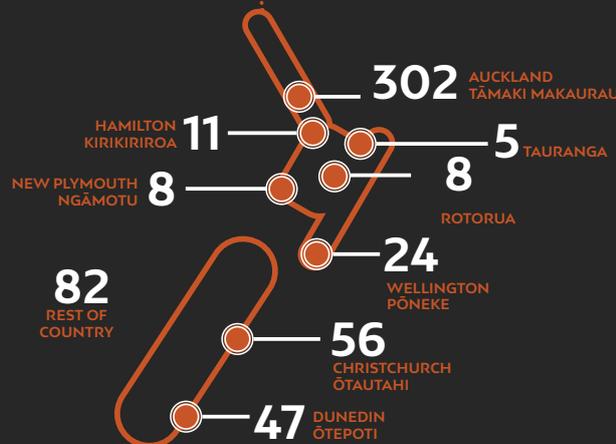


Corporate/
Retail workers



18

Dedicated
music venues
were supported



MusicHelps
ĀwhinaPuoro

In addition to the MUSICHELPSLIVE appeal, MusicHelps | Āwhina Puoro also provided:

NZ MUSIC BUSINESS SUPPORT GRANTS

17



Strategic businesses/employers
(12 North Island, 5 South Island) supporting
infrastructure and employment of people in
the live music industry

WELLBEING SERVICE



100%
increase in demand
for in-person counselling

PROJECT GRANTS



25

Project grants using the power of music to
make a difference to the lives of more than
8,200
people in need across Aotearoa

SINGLES

	ARTIST	TITLE	LABEL	GROUP / DIST.
1	L.A.B	IN THE AIR	LOOP	BORDER
2	THE WEEKND	BLINDING LIGHTS	REPUBLIC	UNIVERSAL
3	SAINT JHN	ROSES (IMANBEK REMIX)	SONY	SONY
4	JAWSH685 X JASON DERULO	SAVAGE LOVE (LAXED - SIREN BEAT)	COLUMBIA	SONY
5	DUA LIPA	DON'T START NOW	DUA LIPA	WARNER
6	TONE S&I	DANCE MONKEY	BAD BATCH	SONY
7	DABABY FT. RODDY RICH	ROCKSTAR	SOUTHCOAST	UNIVERSAL
8	BENEE	GLITTER	REPUBLIC	UNIVERSAL
9	HARRY STYLES	WATERMELON SUGAR	COLUMBIA	SONY
10	DRAX PROJECT FEAT. SIX60	CATCHING FEELINGS	DRAX PROJECT	UNIVERSAL

AOTEAROA SINGLES

	ARTIST	TITLE	LABEL	GROUP / DIST.
1	L.A.B	IN THE AIR	LOOP	BORDER
2	JAWSH685 X JASON DERULO	SAVAGE LOVE (LAXED - SIREN BEAT)	COLUMBIA	SONY
3	BENEE	GLITTER	REPUBLIC	UNIVERSAL
4	DRAX PROJECT FEAT. SIX60	CATCHING FEELINGS	DRAX PROJECT	UNIVERSAL
5	SIX60	LONG GONE	MASSIVE	UNIVERSAL
6	BENEE	SUPALONELY	REPUBLIC	UNIVERSAL
7	L.A.B	CONTROLLER	LOOP	BORDER
8	SIX60	THE GREATEST	MASSIVE	UNIVERSAL
9	SIX60	PLEASE DON'T GO	MASSIVE	UNIVERSAL
10	SIX60	RAINING	MASSIVE	UNIVERSAL

ALBUMS

	ARTIST	TITLE	LABEL	GROUP / DIST.
1	SIX60	SIX60 (3)	MASSIVE	UNIVERSAL
2	HARRY STYLES	FINE LINE	COLUMBIA	SONY
3	POP SMOKE	SHOOT FOR THE STARS...	VICTORVICTOR	UNIVERSAL
4	LEWIS CAPALDI	DIVINELY UNINSPIRED...	VERTIGO/CAPITOL	UNIVERSAL
5	BILLIE EILISH	WHEN WE FALL ASLEEP...	DARKROOM	UNIVERSAL
6	SIX60	SIX60 EP	MASSIVE	UNIVERSAL
7	L.A.B	L.A.B. III	LOOP	BORDER
8	TAYLOR SWIFT	FOLKLORE	TAYLOR SWIFT	UNIVERSAL
9	SIX60	SIX60 (1)	MASSIVE	UNIVERSAL
10	SIX60	SIX60 (2)	MASSIVE	UNIVERSAL

AOTEAROA ALBUMS

	ARTIST	TITLE	LABEL	GROUP / DIST.
1	SIX60	SIX60 (3)	MASSIVE	UNIVERSAL
2	SIX60	SIX60 (EP)	MASSIVE	UNIVERSAL
3	L.A.B	L.A.B. III	LOOP	BORDER
4	SIX60	SIX60 (1)	MASSIVE	UNIVERSAL
5	SIX60	SIX60 (2)	MASSIVE	UNIVERSAL
6	DRAX PROJECT	DRAX PROJECT	DRAX PROJECT	UNIVERSAL
7	L.A.B	L.A.B	LOOP	BORDER
8	BENEE	FIRE ON MARZZ	REPUBLIC	UNIVERSAL
9	L.A.B II	L.A.B II	LOOP	BORDER
10	VARIOUS	WAIATA ANTHEMS	UNIVERSAL	UNIVERSAL

Six60
Top Album

L.A.B
Top Single



32,000

REACH

4,000

ENGAGEMENT

The 2020 induction announcement was our second largest social media interaction, topped only by Sharon O'Neill's induction in 2017.

Max Merritt c.1959
Photo: AudioCulture

The New Zealand Music Hall of Fame | Te Whare Taonga Puoro o Aotearoa inducted six of Aotearoa's trailblazing artists, with their inductions acknowledged and celebrated at the Aotearoa Music Awards.

Johnny Cooper, Max Merritt, Peter Posa, Dinah Lee, The Chicks and Larry's Rebels were inducted into the NZ Music Hall of Fame, recognising their individual contributions to New Zealand's music scene, the inspiration they provided to local artists and audiences alike, and their importance in shaping Aotearoa's popular culture.

Starting in 1955, through to the Sixties and beyond, these artists were trailblazers. Johnny Cooper kicked things off 65 years ago; his self-penned track 'Pie Cart Rock 'n' Roll' became the first homegrown rock 'n' roll track.

His baton was picked up by Max Merritt who became a local legend and a spokesperson for the rock and roll generation. Max and his band The Meteors toured and played on singles by fellow Cantabrian, and our most successful female artist of the 60's, the 'Queen of the Mods' Dinah Lee.

The explosion of local talent on stage and on our television screens, saw Dinah joined by the likes of Peter Posa whose albums of instrumental guitar inspired a generation of players and sold by the container-load all over the world.

Peter discovered sisters Suzanne and Judy Donaldson, their up-tempo harmonies soon to make them household names as The Chicks.

As a country enthralled with the mop-tops, Larry's Rebels arrived at the perfect time in the mid-60's with the swagger of Jagger and the growl of the Animals to set teen hearts on fire with their incendiary live shows and stage presence.

This year's inductions were bittersweet, with Johnny Cooper, Max Merritt and Peter Posa no longer with us.

Mark Roach, kaiwhakahaere of the Hall said, "It's an honour to welcome these acts into the NZ Music Hall of Fame to remember their legacy and contributions to Aotearoa music."

Our communication with Max began almost a year ago prior to his induction. We mourned his passing in September 2020, but we take comfort from the fact that Max left us knowing of the honour, and that he was thrilled and humbled to be inducted."

The NZ Music Hall of Fame inductions were undertaken in a private ceremony whereupon inductees were gifted a tapu taonga, in accordance with tikanga Māori. All six artists inducted this year were acknowledged with video tributes and live performances by The Levites at the 2020 Aotearoa Music Awards.



THE CHICKS



JOHNNY COOPER
1929 - 2014



LARRY'S REBELS



DINAH LEE



MAX MERRITT
1941 - 2020



PETER POSA
1941 - 2019



Redefining our identity

AOTEAROA MUSIC AWARDS

Developed by creative agency LIKEMINDS in collaboration with specialist Māori concept and creative studio HAUMI, the Aotearoa Music Awards reinterpret what it means to be a Kiwi musician and artist.

Recorded Music NZ Kaiwhakahaere o Ngā Tohu Puoro o Aotearoa Sarah Owen says the decision to rebrand the awards aligns with continued efforts over the years to recognise Aotearoa's tangata whenua and Te Reo Māori as the first language of New Zealand, as well as the importance of Te Ao Māori in our lives.

"Aotearoa is a land of diversity and stories, evoking people to share their experiences with us through music. Our artists are kaihanga of one of our greatest treasures; the music and songs that defines our lives," says Owen.

"With the renaming to Aotearoa Music Awards and the kaupapa behind that, we are taking another step in bringing the awards back to the core of what they're for: to celebrate, support and encourage the creative journeys of all our recording artists."

LIKEMINDS founder and creative director Damian Alexander says the Aotearoa Music Awards acronym "AMA" (pronounced ah-mah) is an intentional reference to Te Ao Māori. We are embedding and acknowledging the indigenous culture of Aotearoa and the environment from where our musicians can flourish and prosper.



LIKEMINDS is a creative studio built on the belief that great things happen when like minds come together and is founded by Damian Alexander and Noel Blackwell. A broad and open minded practice that blends design, film, animation, technology, music and selfless collaboration.

"An ama is the outrigger used to support waka during voyages across the ocean. In the same way, that Recorded Music NZ and the Aotearoa Music Awards support and celebrate New Zealand musicians and their work, as well as the support of the wider creative industry in Aotearoa," says Alexander.

HAUMI is a specialist Māori concept and creative studio led by Karl Johnstone (Founder, Rongowhakaata, Te Aitanga-a-Mahaki, Ngai Tamanuhiri) and Joe Pihema (concept lead, Ngāti Whātua).

"We worked with Tiki Taane and Laughton Kora to create a bespoke musical score for the rebrand to bring the awards firmly back to the true resonance of this place we call home."



Recorded Music NZ would like to thank the following artists for their input into the rebrand process:

- | | |
|------------------|------------------------|
| Anna Coddington | Matt Harvey |
| Boh Runga | Nadia Marsh |
| Chris Chetland | Neill Fraser |
| Greg Haver | Ninakaye Taane-Tinorau |
| Huia Hamon | TALI |
| Jonathan Pearce | Tana Tupai |
| Elizabeth Stokes | Teremoana Rapley |
| Julia Deans | Tiki Taane |
| Marcus Powell | Tom Larkin |
| Laughton Kora | |

Reintroducing the Mana Reo Award

The Aotearoa Music Awards continued its dedication to the promotion of te reo Māori as an ordinary means of communication and a living language with the reintroduction of the Mana Reo award.

The kaupapa of the award was clear – to provide an opportunity to honour the achievements and success of our current Maori artists, working within the te reo Māori sphere.

For the first presentation of the Mana Reo award since 2003, **Mōhau** - a supergroup comprising **Rob Ruha, Ria Hall, Troy Kingi, Bella Kalolo, Majic Paora, Kaaterama Pou**, the East Coast Tira Waiata sensation **Ka Hao**, and **The Witch Doctor & Friends**, took home the Tui for their incredible self-titled album made up of eight waiata whakamoemiti.

Alongside our long term supporters Te Māngai Pāho we also presented the Te Kaipuoro Māori Toa | Best Māori Artist award to **Maimoa** - a collective of young Māori musicians with a passion to promote te reo Māori through music. Their goal is to help normalise the use of the Māori language in everyday life, empowering people to express themselves in the first tongue of Aotearoa.



Mōhau



Maimoa



Stan Walker

Six60





**TE PUKAEMI O TE TAU
ALBUM OF THE YEAR**

The Beths - Jump Rope Gazers

L.A.B - L.A.B III
Nadia Reid - Out Of My Province
Reb Fountain - Reb Fountain
Six60 - Six60
Tami Neilson - Chickaboom!

**THREE TE WAIATA TŌTAHI O TE TAU
SINGLE OF THE YEAR**

BENEE - Supalonly

Drax Project ft Six60 - Catching Feelings
Jawsh685 - Savage Love
L.A.B - In The Air
Six60 - Please Don't Go
Troy Kingi - All Your Ships Have Sailed

**TE ROOPU TOA
BEST GROUP**

The Beths

L.A.B.
Miss June
Six60

**TE KAIPUORO TAKITAHU TOA
BEST SOLO ARTIST**

BENEE

JessB
Nadia Reid
Reb Fountain

**SPOTIFY TE KAITUHURA PUORO TOA O TE TAU
BREAKTHROUGH ARTIST OF THE YEAR**

Jawsh685

CHAI
MELODOWNZ
Paige

**TE MĀNGAI PĀHO TE KAIPUORO MĀORI TOA
BEST MĀORI ARTIST**

Maimoa

Ria Hall
Stan Walker

**THE EDGE TE KAIPUORO AROTINI TOA
BEST POP ARTIST**

BENEE

Paige
Six60

**TE KAIPUORO MANOHI TOA
BEST ALTERNATIVE ARTIST**

The Beths

Mermaids
Reb Fountain

**TE KAIPUORO AWE TOA
BEST SOUL/RNB ARTIST**

Haz & Miloux

Lepani
Stan Walker



**TE KAIPUORO HIPIHOPE TOA
BEST HIP HOP ARTIST**

Church & AP
choicevaughan
Raiza Biza

**TE KAIPUORO TAKETAKE TOA
BEST ROOTS ARTIST**

L.A.B
Lomez Brown
Ria Hall

TE MĀNGAI PĀHO MANA REO AWARD

Mōhau
Maimoa
Six60

**TE KAIPUORO TĀHIKO TOA
BEST ELECTRONIC ARTIST**

Lee Mvtthews
State of Mind
Truth

**TE KAIPUORO RAKAPIOI TOA
BEST ROCK ARTIST**

City of Souls
Devilskin
Villainy

**TE KAIPUORO KAIRANGI TOA
BEST WORSHIP ARTIST**

Mōhau
Kane Adams
Te Rautini

**TE KAIPUORO INAMATA TOA
BEST CLASSICAL ARTIST**

Andrew Beer & Sarah Watkins
Klara Kollektiv
Matthew Marshall

**THE EDGE TV TE KŌWHIRI O TE NUINGA
PEOPLE'S CHOICE AWARD**

L.A.B

**TE TOA HOKO TEITEI
HIGHEST SELLING ARTIST**

Six60

**NZ ON AIR TE RIKOATA MARAKERAKE O TE TAU
RADIO AIRPLAY RECORD OF THE YEAR**

Drax Project 'Catching Feelings' feat. Six60

**TOHU TUTUKI O TE AO
RECORDED MUSIC NZ INTERNATIONAL ACHIEVEMENT**

Jawsh685
BENEE



ARTISAN AWARDS



For the fifth year running, Recorded Music NZ and Massey University celebrated those behind the scenes of Aotearoa's music industry at the AMA Artisan Awards.

In place of a live event, this year's Artisan Awards were pre-recorded at Massey University's School of Music and Creative Media Production in Wellington and other key locations around nga motu, profiling pre-recorded interviews with producers, engineers, film makers, artists and managers marking the extraordinary achievements made in 2020.

Hosted by Warren Maxwell, with performances by CHAI, Hollie Smith, Troy Kingi, and Thomas Oliver the AMA Artisan Awards was broadcast on THREE on Friday 13th November, and is available to watch on ThreeNow.

The overarching aim for the team at Massey was to produce an exciting show that felt connected, open and as always, representative of the amazing talent of our industry from across Aotearoa. With thanks to Massey University and NZ On Air for this dynamic, connective content.



Te Kaiwhakaputa Toa
Massey University Best Producer

For the second year running **Josh Fountain** won the Tui for Best Producer for his work with **BENEE**, **MAALA**, and **Paige**. He has become one of the most in-demand producers in Aotearoa music, steadily developing a reputation for creating everything from tasteful electronic R 'n' B flavoured pop to inventive hip-hop beats and more.



Te Puoro Ataata Toa
NZ On Air Best Music Video

Released in October 2019 and amassing close to 250K views is **Anahera Parata's** video of **SWIDT's** 'Bunga' - an intimate portrayal of a narrative that addresses New Zealand's insecurities towards Polynesian communities. While 'Bunga' brings to the forefront the core values of family and community that the Polynesian people have upheld since arriving in NZ.



Te Toi Ataata Pukaemi Toa
Best Album Artwork

As a visual compliment to a musician's work, album art is an important part of any music release. Mermaidens bass player and designer **Lily Paris West** had a very specific vision for their 2019 album, which even extended to the design on their boutique 'Moon Cycle' guitar pedal.



Te Kaipukaha Toa
Best Engineer

Long-time **Reb Fountain** collaborator and head engineer at Roundhead, **Simon Gooding**, manned the helm of Fountain's 3-week recording stint, and won 2020's Best Engineer in the process.

A year of Tui

Not every award is presented on the big night. Other important Tui are awarded within various hapori puoro throughout the year.



Te Kaipuroo Taketake Toa Best Folk Artist

The 26th of January was a night of firsts with **Mel Parsons** winning both her first Tui and the first Tui of the decade at the Auckland Folk Festival. The indie-folk artist won Te Kaipuroo Taketake Toa | Best Folk Artist for her fourth studio album, Glass Heart.



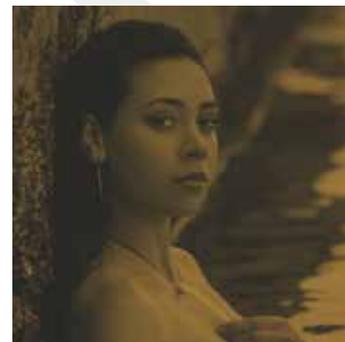
Te Kaipuroo Waiata Tamariki Toa Best Children's Music Artist

Anika Moa was the winner of Te Kaipuroo Waiata Tamariki Toa | Best Children's Music Artist for 2020 at the Children's Music Awards screened on Home Learning TV (HLTV) and hosted by Suzy Cato.



Te Kaipuroo Tuawhenua Toa Best Country Music Artist

With the 2020 Country Music Awards in Gore cancelled due to the Covid-19 crisis, the winners were announced live on Radio New Zealand's Music 101. For their collaboration Word Gets Around, **Delaney Davidson & Barry Saunders** received the 2020 Tui for Recorded Music NZ's Te Kaipuroo Tuawhenua Toa Tui | Best Country Music Artist.



Te Pukaemi Toa o Te Moana Nui a Kiwa Best Pacific Music Album

Despite delays and challenges created by Covid, the Pacific music community celebrated another year of outstanding music at the 16th annual Pacific Music Awards. The event was pre-recorded due to Covid restrictions and aired as an online presentation in October, with the Te Pukaemi Toa o Te Moana Nui a Kiwa | Best Pacific Music Album going to **Olivia Foa'i** for her debut solo album Candid.



Te Kaipuroo Tautito Toa Best Jazz Artist

Normally celebrated at a ceremony as part of the Wellington Jazz Festival, the winner for Te Kaipuroo Tautito Toa | Best Jazz Artist was also announced live on Radio New Zealand's Music 101, where **Dixon Nacey** was awarded the Tui for his 2019 album The Edge of Chaos.

AMPS

Aotearoa
Music
Producer
Series

PRESENTED BY
RECORDED MUSIC NZ AND THE MUSIC PRODUCERS GUILD NZ

Organised by the **Music Producers Guild NZ** in association with **Recorded Music NZ**, this event built on the success of the previous four New Zealand Music Producer Series and continues our industry's commitment to upskilling and building sustainable music careers.

The 2020 event celebrated the incredible production talent here in Aotearoa with a series of 10, one-day music production workshops at **Roundhead Studios, Auckland**. These consisted of a breakdown of each producer's multitrack recordings, discussion of production techniques and workflows, artist motivation, producer mental health and the ability to sustain a career, particularly due to the global impacts of COVID-19.

Thanks to the ongoing support of our partners **The New Zealand Music Commission; NZ On Air; SAE Auckland; Auckland UNESCO City of Music** and **Mt Atkinson Coffee**, this year's workshops were able to be provided free to all attendees.

THE 2020 AMPS PRODUCERS & DATES



26TH OCTOBER

SAM DE JONG

Little Mix, Muse,
Lennon Stella, Noah Kahan



27TH OCTOBER

JOSH FOUNTAIN

Benee, Leisure, Foley,
Mathew Young



28TH OCTOBER

BIC RUNGA

Bic Runga, King Sweeties



29TH OCTOBER

TOM HEALY

Tiny Ruins, Finn Andrews,
Trey Songz, Miss June



30TH OCTOBER

P MONEY

Starley, Scribe, PNC,
David Dallas



2ND NOVEMBER

DEVIN ABRAMS

Pacific Heights, Drax Project,
Shapeshifter, The Adults



3RD NOVEMBER

ESTÈRE DALTON

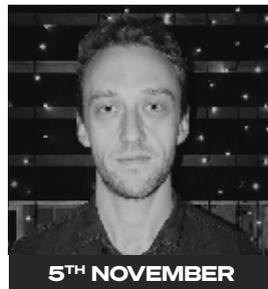
Estère, Raiza Biz,
Deva Mahal



4TH NOVEMBER

LEE PREBBLE

The Phoenix Foundation,
Trinity Roots, The Black Seeds,
Fly My Pretties



5TH NOVEMBER

SIMON GOODING

Pink, Neil Finn,
Drax Project, Mitch James



6TH NOVEMBER

RORY NOBLE

Kanye West, M-Phazes,
Just Blaze, Church & AP

250

**WORKSHOP
PARTICIPANTS**

2019 = 75

“Really useful. As ever, a combination of technical insights, engineering practices and mixing examples combined with the chance to chat and exchange ideas and thoughts with the producer scene was completely invaluable.

Sam Johnson

Super useful! We work with such isolation and I feel like when you work in a vacuum; it can be easy to stagnate or lose inspiration. Getting together and hanging out and just meeting other like-minded people is so important!

Toby Lloyd

Great for motivation and seeing what's possible to be achieved with consistency in work. It was a good reminder that at the end of the day creativity outlays technicality and that actually the technical parts are very teachable also.

Yasamin Al Tiay

It was useful to meet a range of other professionals on similar paths on their professional journey and swap ideas on how to move on to the next step in our careers while also enjoying being part of a friendly group of like-minded people.

Ahjay Stelino



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 25 to 29:

- comply with New Zealand generally accepted accounting practice and present fairly the financial position of the Company as at 31 December 2020 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 2020.



Chris Caddick, Chairman
Dated 04.05.21



Adam Holt, Director
Dated 04.05.21

DIRECTORY FOR THE YEAR ENDED 31 DECEMBER 2020

Year of Incorporation	1957	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	

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020	2019
		\$	\$
REVENUE			
Licence Fees		13,636,162	15,756,699
Interest Income		221,945	315,772
TOTAL INCOME		13,858,107	16,072,471
EXPENSES			
Operating expenses	5	(2,541,318)	(3,607,901)
Administrative expenses		(134,718)	(145,451)
Impairment of asset	6	(147,577)	-
TOTAL EXPENSES		(2,823,613)	(3,753,352)
FUNDS AVAILABLE FOR DISTRIBUTION	3	(11,034,494)	(12,319,119)
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 2020

	Note	2020	2019
		\$	\$
ASSETS			
Cash and cash equivalents		772,320	1,244,368
Trade and other receivables		2,246,989	2,121,549
Short term deposits		10,041,226	10,982,056
Investments	6	-	147,577
Right of use asset	5	307,596	420,414
Property, plant and equipment		77,055	76,890
TOTAL ASSETS		13,445,186	14,992,854
LIABILITIES			
Trade payables and accruals		734,836	873,864
Lease liability	5	307,596	420,414
Funds held available for distribution	3	11,402,754	12,548,576
Funds retained for provisions	3	1,000,000	1,150,000
TOTAL LIABILITIES		13,445,186	14,992,854

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts of licence fees	13,403,680	15,963,669
Distributions to companies and recordings artists	(12,180,316)	(11,674,792)
Paid to suppliers and employees	(2,829,766)	(3,488,003)
Net cash from operating activities	<u>(1,606,402)</u>	<u>800,874</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	221,945	315,772
Acquisition of property, plant and equipment	(28,421)	(40,585)
Movement in short term deposits	940,830	(330,732)
Net cash from investing activities	<u>1,134,354</u>	<u>(55,545)</u>
NET (DECREASE)/INCREASE	<u>(472,048)</u>	<u>745,329</u>
Opening cash and cash equivalents 1 January	1,244,368	499,039
Closing cash and cash equivalents	<u><u>772,320</u></u>	<u><u>1,244,368</u></u>
Made up of:		
Bank balances	772,320	1,244,368
TOTAL CASH AND CASH EQUIVALENTS	<u><u>772,320</u></u>	<u><u>1,244,368</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 master right owners 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 2020 and were authorised for issue by the directors on the date specified on page 24.

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.

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.

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.

	2020	2019
Funds at the beginning of the year	12,548,576	12,054,195
Funds distributed to companies and recording artists during the year	(12,180,316)	(11,674,740)
Transfer to funds retained for provisions	-	(150,000)
Funds received (net of expenses) available for distribution next year	11,034,494	12,319,121
Funds at the end of the year	11,402,754	12,548,576
Funds retained for provisions	1,000,000	1,150,000
Funds held available for distribution	11,402,754	12,548,576
Funds at the end of the year	12,402,754	13,698,576

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:

	2020	2019
Chris Caddick	54,000	48,000
Nicky Harrop	7,000	4,000
Nick Atkinson	8,000	4,000
Peter Baker	-	2,000
Paul McKessar	-	2,000
Total	69,000	60,000

5. LEASES

Statement of financial position

	2020	2019
Right-of-use asset	307,596	420,414
Lease liability	307,596	420,414

Statement of profit and loss

Depreciation on right-of-use asset	107,828	111,800
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During the year ended 31 December 2020 lease payments were \$107,828 (2019: \$111,800). Lease payments for the year ended 31 December 2020 are recorded at net of the rental relief received during the lockdown commencing 25 March 2020.

Within this payment, \$7,629 is repayment of interest for lease liabilities, \$100,199 is repayment of principle of lease liabilities.

When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate as at 1 January 2020.

Rate for buildings : 5%

6. INVESTMENTS

The Directors have determined that the Investment in Media Sauce is no longer supportable and therefore the investment has been impaired in full in the current year.

7. COMMITMENTS AND CONTINGENCIES

There are no capital commitments at balance date (2019: nil). There are no contingent liabilities (2019: nil).

8. SUBSEQUENT EVENTS

There have been no subsequent events which impact on the financial statements (2019: nil).

Independent Auditor's Report

To the shareholders of Recorded Music New Zealand Limited

Report on the audit of the financial statements

Opinion

In our opinion, the accompanying financial statements of Recorded Music New Zealand Limited (the 'company') on pages 25 to 29

- i. present fairly in all material respects the company's financial position as at 31 December 2020 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 2020;
- the statements of comprehensive income and 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 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ('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

4 May 2021



Music Community | Hapori Puoro



Aotearoa Music Awards
aotearoamusicawards.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



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