



ANNUAL REPORT 2022

ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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COVER IMAGES

The eight local artists that achieved #1 albums in the The Official NZ Music Charts®.
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FROM THE CHAIR



2022 was a year of change and transition for the organisation with **Jo Oliver** being appointed as CEO in March, from her previous role of General Counsel and Government Affairs. Our long serving CEO **Damian Vaughan** departed following nine years of outstanding leadership and on behalf of the Board I'd like to once again thank Damian for his significant contribution to the success of the organisation during his tenure.

Jo has taken on the challenge of managing the transition and building a new team to lead us into the future.

While 2022 was a year of transition, the organisation met all of its financial targets. We are very pleased to have delivered an increase in overall licensing income from \$15.5m in 2021 to \$15.8m in 2022. In 2022 we also delivered the highest ever distribution to artists and right holders, from 2021 income. The Board's thanks go to the whole team at Recorded Music New Zealand for their focus and commitment to achieving this very satisfactory result.

In addition to our annual business targets an ambitious five-year strategic plan was agreed at the start of 2021 and this is guiding much of our activity as we work through the plan.

A comprehensive review of the **Aotearoa Music Awards** was undertaken in 2022 including seeking feedback from a wide range of stakeholders in the Awards to guide our planning for the future. 2023 will see changes to the awards based on the findings of the review with a new look event planned for the first half of 2024.

Jo and the team also sought feedback and views from the music community on other aspects of our work including **The Official NZ Music Charts**®, licensing and distribution and music community support, and further changes are being announced through 2023 to address the feedback.

As a Board and organisation we are committed to our journey to make Te Ao Māori an integral part of everything we do and I am looking forward to continuing that work in 2023.

The music business is constantly evolving and the need to adapt and respond to this evolution is a constant challenge. With a highly skilled and committed new management team in place, experienced staff, and a dedicated Board, I believe we are well placed to meet this challenge in 2023.

Chris Caddick

Chris Caddick
Chairperson, Recorded Music NZ



Clockwise from top left:
Georgina Lines; Rob Ruha & Ka Hao; Alien Weaponry;
Tami Neilson; L.A.B.; Halaifonua Finau, Choicevaughan, Tom Hern.
All photos © Topic Photography



Tēnā koutou

When I stepped in to the role of CEO in March 2022 the first thing I wanted to do was hear from recording artists, right holders and the wider music community. In August we launched an online survey and interview process to find out your views, ideas, feelings and feedback about our activities including the Aotearoa Music Awards.

My heartfelt thanks to everyone who participated in that process for all of your valuable input. I also want to acknowledge what we heard from you about the increasingly complex (and sometimes isolating) environment for recording artists and right holders in Aotearoa and thank you for the insights you shared.

You can read more about the results of the survey in the Annual Report, and 2023 will see us rolling out a series of changes to address your feedback and refresh and modernise our activities.

While 2022 was a year of transition for Recorded Music and its staff, all financial targets were met and we delivered an increase in overall income despite gathering economic headwinds as the year progressed. Other highlights for the year included the government's commitment to (finally) extend copyright term from 50 to 70 years for recordings, a development which follows over a decade of advocacy by Recorded Music.

Heading in to 2023, I was delighted to announce a new management team to lead the organisation. **Loren Midlane** was appointed to the role of Head of Finance and Operations. Her background includes roles in media and entertainment companies both in New Zealand and internationally. **Christy Whelan** was appointed Head of Legal and Business Affairs. Christy brings a wealth of knowledge to Recorded Music New Zealand, following extensive experience in the music industry in New Zealand and with BPI in the UK.

2022 was the last full year for **Liz Diamond** after 13 years working for us. My sincere thanks to Liz for her incredible hard work and determination in securing licensing income over the years and for stepping up to support the management transition in 2022. Also in 2022 Finance Director **Penny Hext** departed after 15 years' service and we thank her for her significant contribution to the organisation.

I want to take this opportunity to thank our Board for their support and backing of our work, and the trust you have given me to lead the organisation, and thank all the staff for their hard work through the year on behalf of recording artists and right holders.

Ngā manaakitanga o te tau

Jo Oliver
CEO

WHAT WE DO

Recorded Music NZ represents recording artists and right holders in Aotearoa through licensing, advocacy and promotion.

OUR VISION

is a thriving music industry in Aotearoa.

OUR MISSION

is to enhance and promote the value of recorded music in and from Aotearoa.

OUR GUIDING PRINCIPLES

- We exist to serve the collective interests of recording artists and right holders.
- We are leaders in fostering a safe, respectful and inclusive culture.
- We acknowledge Māori as tangata whenua of Aotearoa & we are committed to our journey to respect and honour Te Ao Māori.
- We act with integrity and are honest, conscientious, and fair.

OUR PRIORITIES

MAXIMISE RETURNS FOR RIGHT HOLDERS AND RECORDING ARTISTS.

We act on behalf of right holders to license music users and collect revenues. From those revenues we deduct our costs and return the remainder to right holders and registered recording artists via distributions. We maximise returns through operating fairly and efficiently.

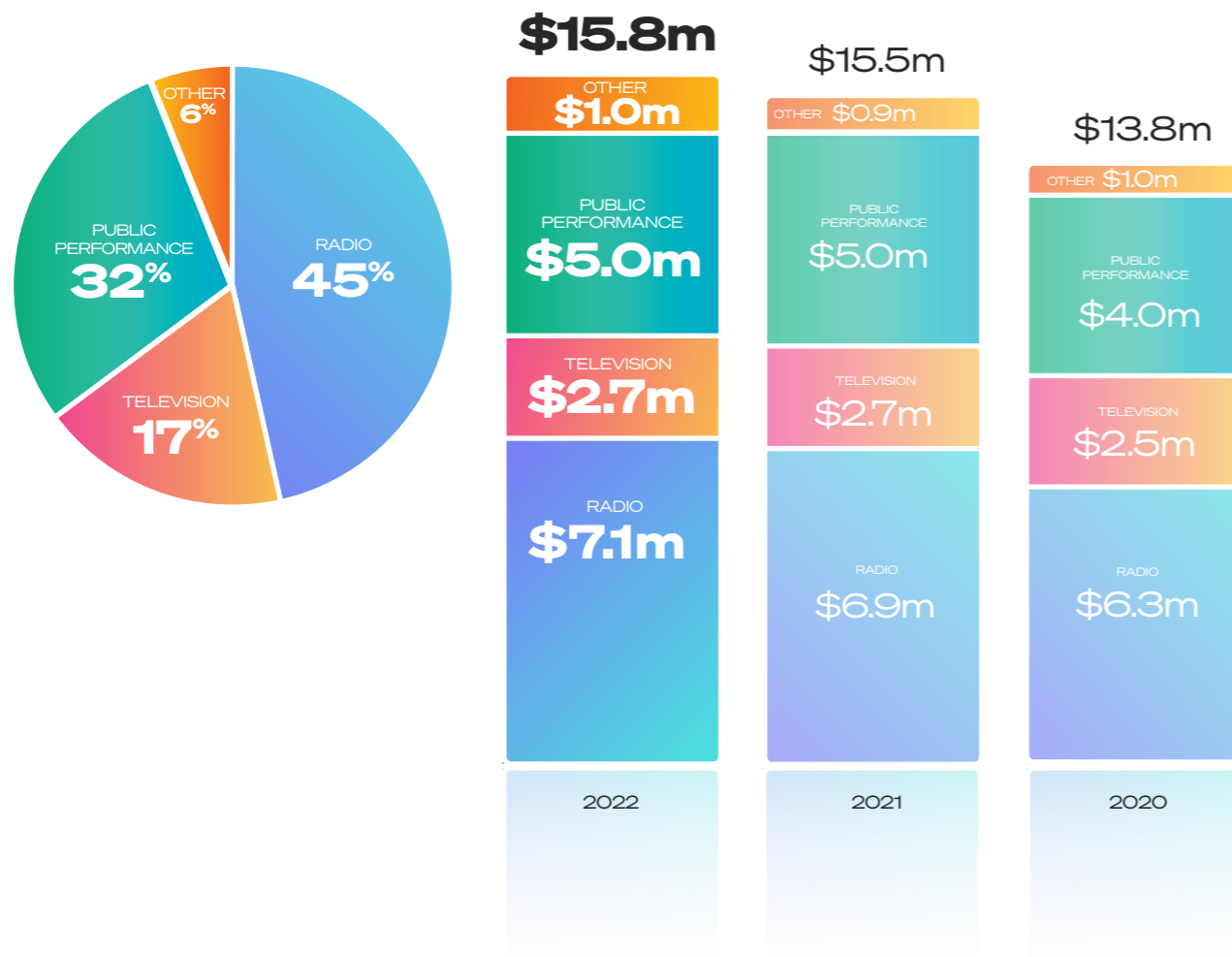
ADVOCATE FOR THE COLLECTIVE INTERESTS OF RECORDING ARTISTS AND RIGHT HOLDERS to a range of audiences including government, other industry organisations and the wider music and creative community. We strive to improve copyright law and the legal and regulatory environment for recording artists and right holders.

PROMOTE AND CELEBRATE recording artists, their recordings and the recorded music industry in Aotearoa, through activities such as the Aotearoa Music Awards, the Official NZ Music Charts and the NZ Music Hall of Fame | Te Whare Taonga Puoro o Aotearoa.

SUPPORT DEVELOPMENT OF A SUSTAINABLE RECORDED MUSIC MARKET through providing market analytics and recorded music data to our stakeholders and industry, and supporting a range of educational and charitable projects via collaborations and our Music Grants program.

MAXIMISING RETURNS FOR ARTISTS AND RIGHT HOLDERS

RECORDED MUSIC NZ REVENUES



LICENSING INCOME

Despite gathering economic headwinds as the year progressed, we are very pleased to have delivered an increase in licensing income from \$15.5m in 2021 to \$15.8m in 2022.

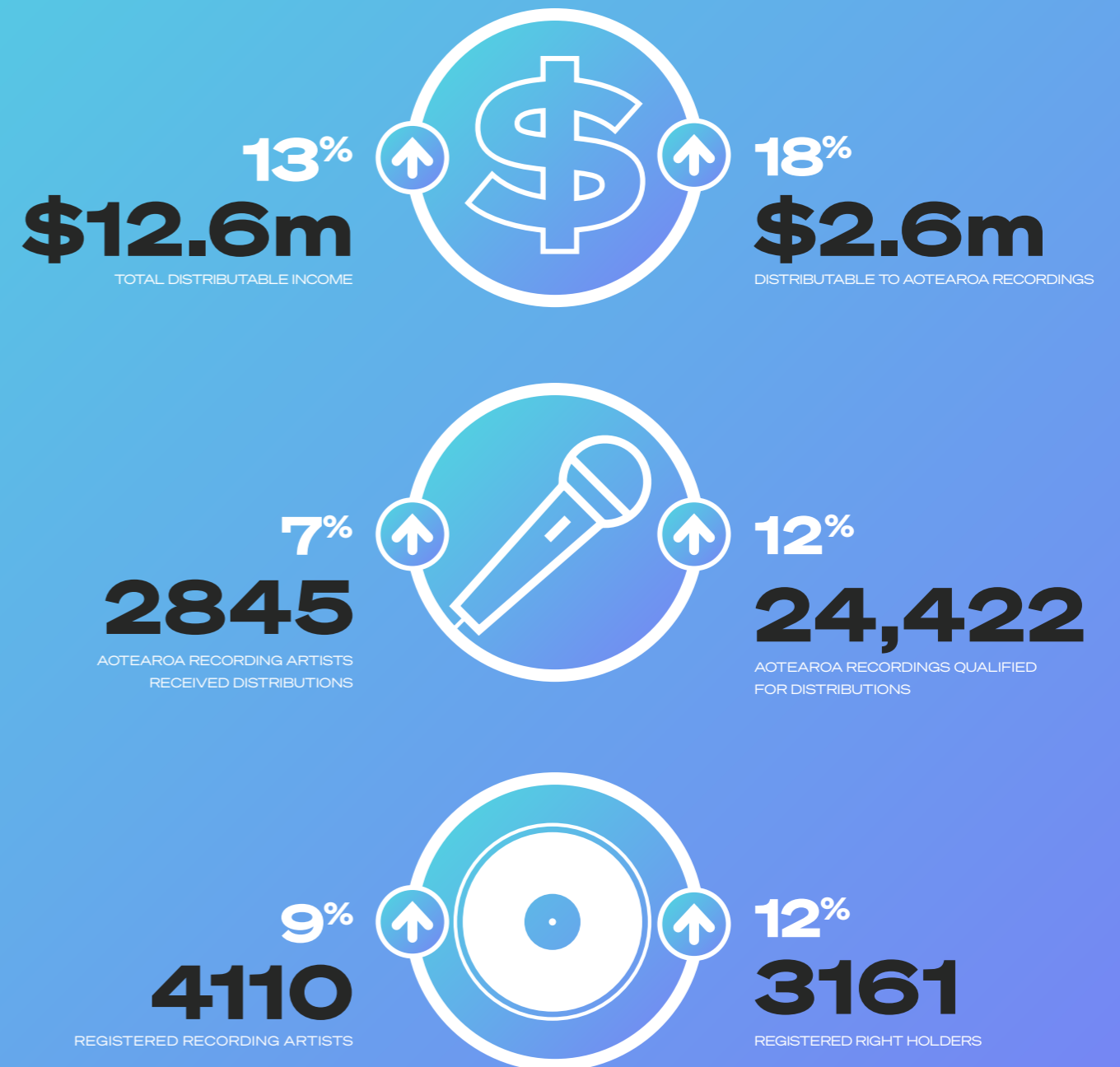
- **Radio** revenue remained strong throughout the year and resulted in \$7.1m in licensing income for 2022 – a small increase from 2021.
- During 2022 we initiated and completed a consultation process with commercial radio broadcasters with annual gross income over \$5m regarding their licence fees and declared a restated licence scheme.
- **Television** revenue (including for terrestrial broadcast and some limited Subscription Video on Demand) remained steady in 2022, with licensing income of \$2.7m.
- **Public Performance** licensing once again made up a significant portion of our income, resulting in \$5.0m in revenue to Recorded Music NZ in 2022, despite businesses across the country facing difficult conditions coming out of Covid lockdowns and increasing inflationary pressures.
- **OneMusic** is the joint licensing initiative between APRA AMCOS and Recorded Music NZ which simplifies the process for Aotearoa businesses to get the legal permission they need to play music, while helping to ensure that music creators are paid for the use of their work. We thank the OneMusic team for the significant work that goes into providing public performance licences to thousands of businesses across Aotearoa on behalf of APRA AMCOS and Recorded Music NZ.

MAXIMISING RETURNS FOR ARTISTS AND RIGHT HOLDERS

DISTRIBUTION

In 2022 we distributed our 2021 licensing income less costs. We paid out \$12.6m in royalties, including \$2.6m to 2845 Aotearoa recording artists and related right holders.

- **Our Membership continued to grow** – by the end of 2022 we represented 3,161 individual master rights holders (copyright owners or exclusive licensees of sound recordings) and had 4,110 artists registered in our Direct-to-Recording Artist scheme.
- **Our Data got deeper** – in 2022 we ingested more usage data from more music users than ever before, and paid out royalties against more than 176,000 recordings.
- **Locally** – we paid out more money against more Aotearoa recordings than ever before.
- **Internationally** – we connected more local and global right holders than ever before with their royalties via our reciprocal arrangements with PPCA, PPL and SoundExchange.



MUSIC COMMUNITY

Recorded Music NZ supports the development of a sustainable recorded music market via sponsorship, collaborations and the Music Grants program. Projects and organisations we supported in 2022 include:



RECORDED MUSIC NZ MUSIC GRANTS

In 2022 Recorded Music NZ dedicated 1% of its net distributable income to contestable Music Grants for educational, archival and charitable projects. Music Grants applications are reviewed and successful grant recipients decided by a funding panel of artist members, who also sit as Recorded Music's Artist Committee. In 2022 the following projects were supported via music grants:

- Aston Rd - Music Career Masterclass – Vocal Coaching Workshops
- Blue Riot Records – Making\\Waves
- Campus Radio bFM Limited – Archiving Project
- COMMOTION – Youth Music Colab - Nelson 2022
- Emily Wheatcroft-Snape – The Record Enable : Women in Music Recording Workshop
- Girls Rock! Aotearoa – To The Front Pōneke 2022; To The Front Tāmaki Makaurau 2023; and To The Front Te Papaioea 2022
- Gus Te Moni – Beat Making & Production Workshops Rotorua
- MMF Aotearoa – Official NZ Music Month Summit 2022
- Music Producers Guild NZ Aotearoa – Boom Sessions
- NZ Musicians Union / E Tū / Paul McLaney – Industry Engagement & Template Creation
- Parachute Music – Artist Development Programme 2022; and Producer Residency - Studio Boost
- SOLE Music Academy – Collab
- SOUNZ – He Reo Tawhito - Conversation About Mōteatea Podcast - Season 3
- The Dunedin Fringe Arts Trust – Amped Music Project
- We Are LOUD – Scholarship Programme
- Women About Sound – Music Production Programme 2023
- YMCA/Raise Up – New Found Sound

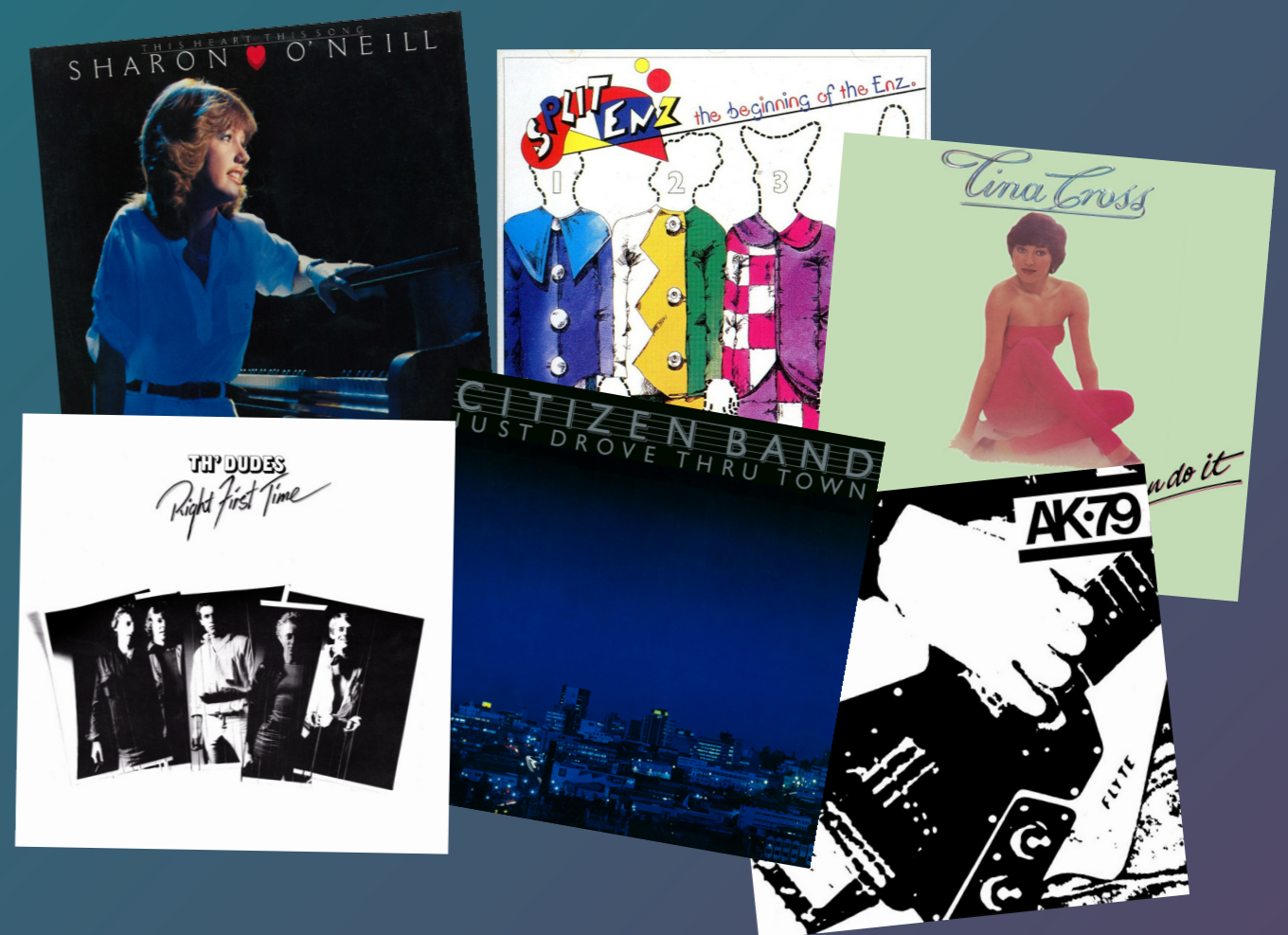
COPYRIGHT TERM EXTENSION

After nearly two decades of advocacy and work behind the scenes from Recorded Music, in 2022 we welcomed the extension of copyright term for sound recordings in New Zealand, as part of the NZ-EU Free Trade Agreement announced on 30 June.

Recording artists and right holders in Aotearoa currently have copyright protection over their recordings for only 50 years from the date of release, in contrast to every other OECD country which provides 70 years' protection. The NZ-EU Free Trade Agreement will extend the term to 70 years and bring New Zealand into line with international norms and with the European Union as a trading partner.

"Copyright enables artists to make a living from their work and is fundamental to the sustainability and future growth of the music industry in Aotearoa. Extending copyright term to 70 years from the date of release puts New Zealand artists and right holders on a level playing field with their overseas counterparts. This long overdue change will help preserve and protect iconic recordings from Aotearoa, and support the New Zealand artists that created them." **Jo Oliver**

At the time of publication the government's work to implement the EU Trade Agreement is underway, and there is a deadline of 2027/2028 for implementing the extended copyright term.



RECORDED MUSIC NZ

Through August to October 2022, we reached out to recording artists, right holders and the wider music community for feedback and ideas about Recorded Music NZ and its core activities. We designed an online survey in-house, which received over 200 responses, and music & media industry consultant David Ridler personally interviewed 100 music artists, creators and industry professionals to ask for their views.

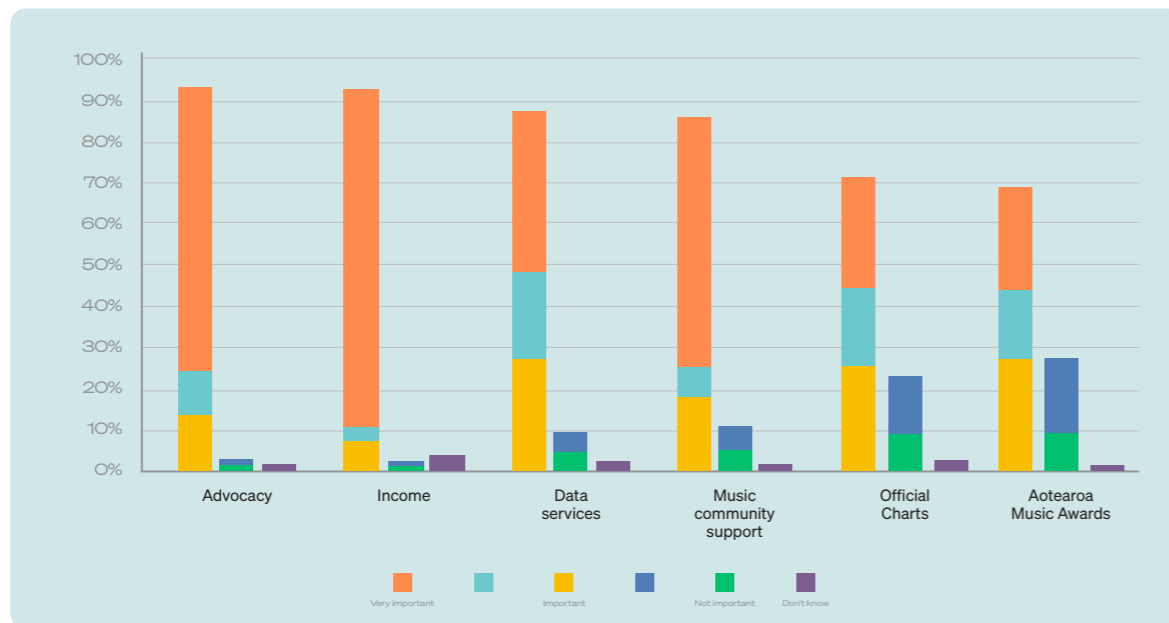
A major focus of the engagement was our flagship promotional event, the Aotearoa Music Awards, alongside our other core activities including the Official NZ Music Charts and regular licensing and distribution activities.

We have a wealth of key learnings from the engagement process and will be working to implement the recommendations across the organisation in 2023.

KEY PRIORITIES - RECORDED MUSIC NZ

We asked what the music community sees as most important for Recorded Music and this is illustrated below.

The income we deliver to artists and right holders was ranked important by over 90% of survey respondents (with 80% considering it very important), followed closely by advocacy and music community support.



KEY PRIORITIES

We heard from stakeholders that educating recording artists and right holders about copyright, and advocating on their behalf, should remain a core focus of Recorded Music.

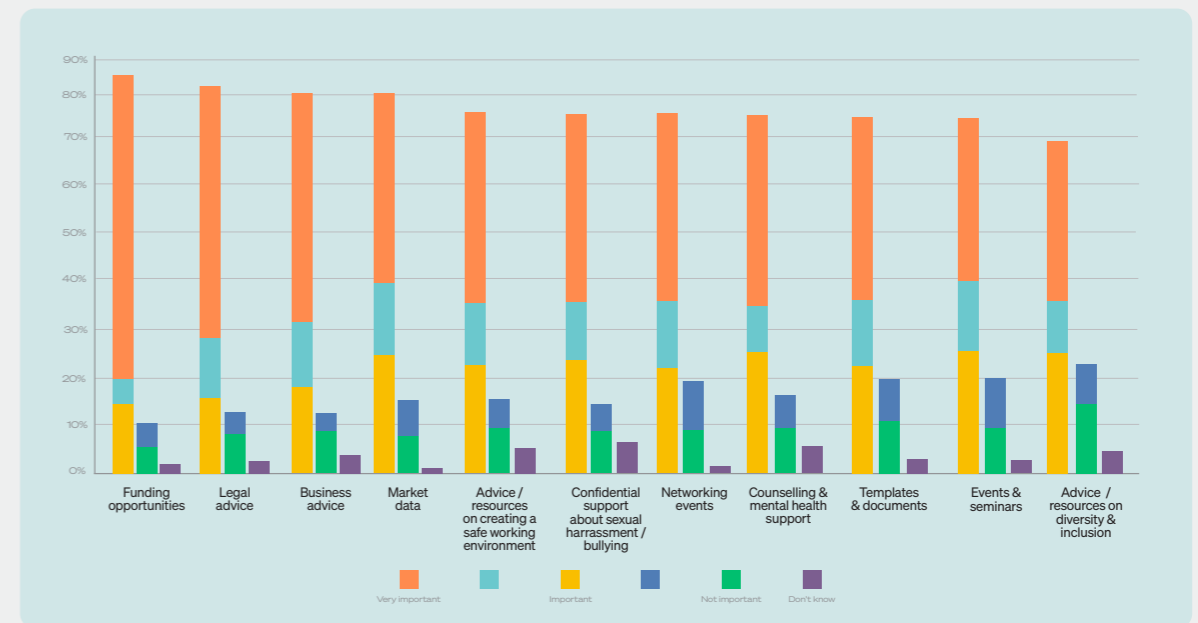
A key theme that arose frequently was a lack of understanding about the detail of what Recorded Music does in terms of royalties, and licensing, and how this actually works – especially from the artist community.

We learnt from a number of artists that they may be more receptive to receiving industry advice from other

OTHER PRIORITIES FOR INDUSTRY BODIES

We also asked which services, functions, resources, support and advice were most useful and valuable, regardless of which entity is currently providing them or might provide them in future.

As shown in the graph below there are clearly many areas where industry bodies can work together to serve the music community.



AOTEAROA MUSIC AWARDS

We heard that the Aotearoa Music Awards is valued by the music community – winning an award is aspirational for emerging artists, and a promotional opportunity for established artists. The music community overwhelmingly wishes for AMA to continue as an event which unites and brings the recorded music and wider music community together in person to celebrate and to acknowledge artists, and for artists to acknowledge their whānau and teams.

The format of the event itself was a topic of discussion and the majority want to see an in-person event focused on the music community with artists and their achievements at front and centre, more musicians invited, and a more intimate vibe. Gathering with colleagues and friends was ranked a high priority for the event by survey respondents, with live musical performances and trophy presentations also ranked as essential elements.

Other elements of the event (e.g. red carpet, food, after party, and celebrity attendance) were either seen as less important or were the subject of a range of differing views. A live linear television broadcast was seen as not necessary by the majority, although it was acknowledged there is a need to capture video and other content for promotional use.

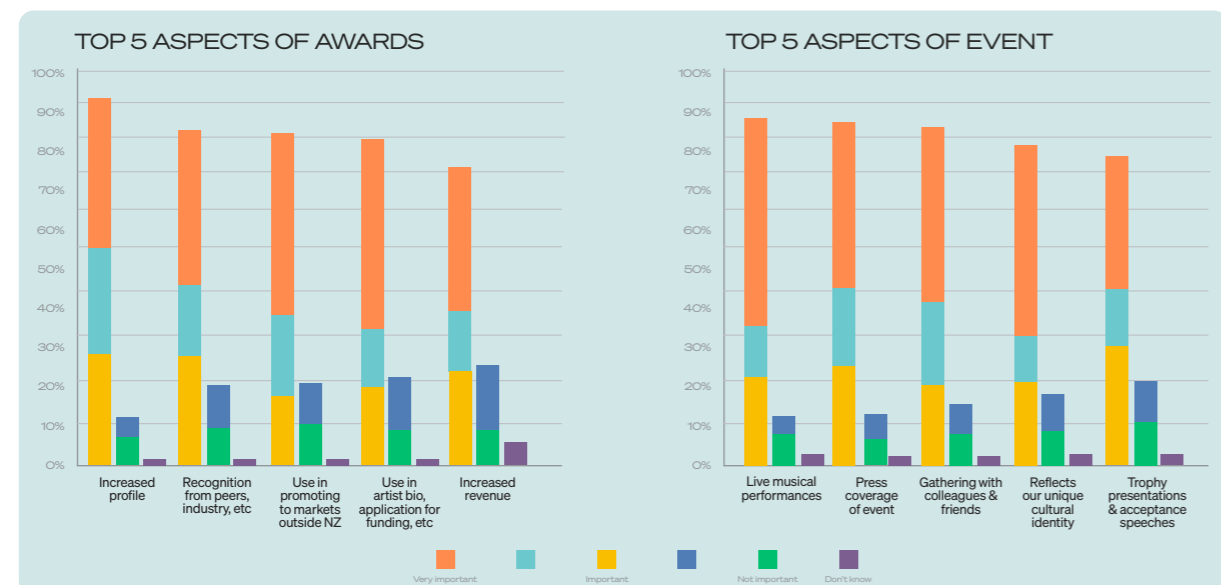
While there is a desire for a community focussed event, it's also overwhelmingly clear that the Aotearoa Music Awards is seen as a vehicle for artists to promote their work, and that it needs to retain its commercial ambition:

- Over 90% of survey respondents ranked “increased profile” as the most important aspect of the Awards.
- In considering the event itself, 85% of respondents identified press coverage as the second most important aspect after live musical performances.

We heard some negative feedback about the award categories and criteria and the judging process. There was some confusion about what the awards are awarding – artistic merit, commercial success, or a combination of the two – and some concerns about the judging process and the make-up/diversity of the voting academy. These are important topics that will be the focus of more detailed work in 2023.

We have heard loud and clear from the music community that the Aotearoa Music Awards must reflect the culture and values of the music industry: the awards must integrate Te Ao Māori and te reo, promote diversity and inclusion and reflect our unique cultural identity. Survey respondents also emphasised the importance of providing a safe and inclusive experience at the event with measures in place to limit harm from excessive alcohol consumption.

As a result of the review and feedback, 2023 will see a number of changes to the Aotearoa Music Awards, as we evolve our flagship event into the future.



THE OFFICIAL NZ MUSIC CHARTS

Recorded Music members and the wider industry value the Official Charts on a number of levels. Most survey respondents saw the purpose of the charts as highlighting and promoting local artists and music (82%), alongside providing a fair and accurate record of music consumption (81%).

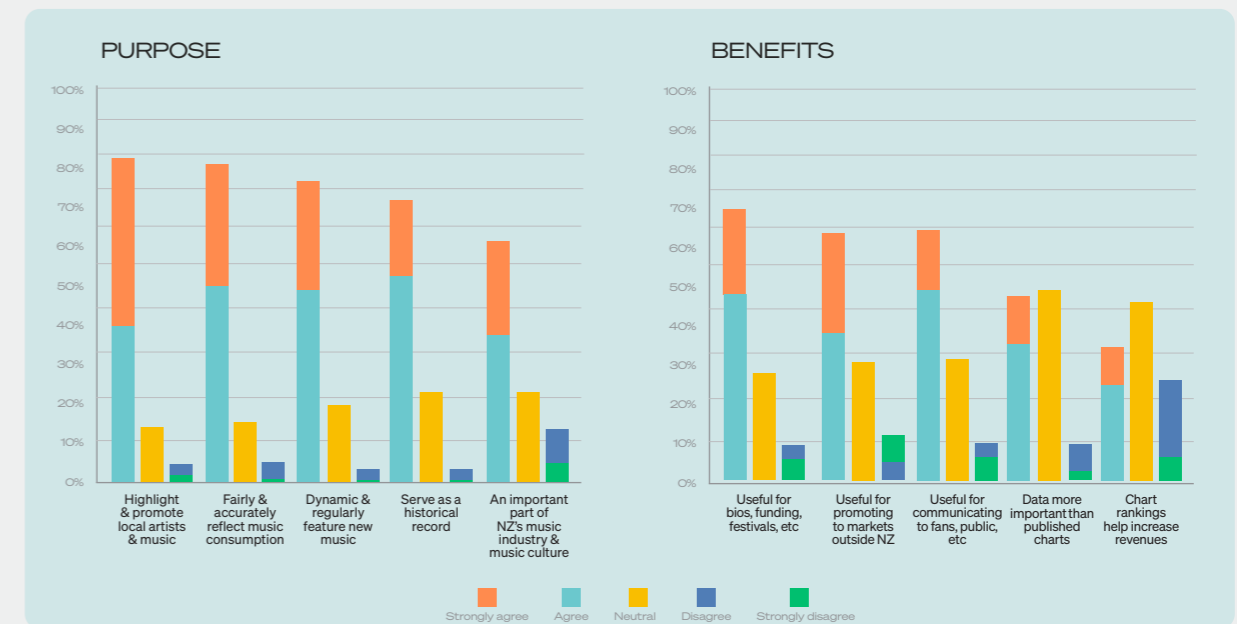
The charts are considered more relevant to industry and artists than the general public, which provides clear guidance for our charts strategy going forward. Chart placements and achievements are seen as very useful social media content for artists, in addition to supporting applications for funding and festival slots.

The Hot Charts are widely seen as valuable, being more inclusive of a wider range of artists and genres than traditional charts and particularly prized by newer, up-and-coming artists.

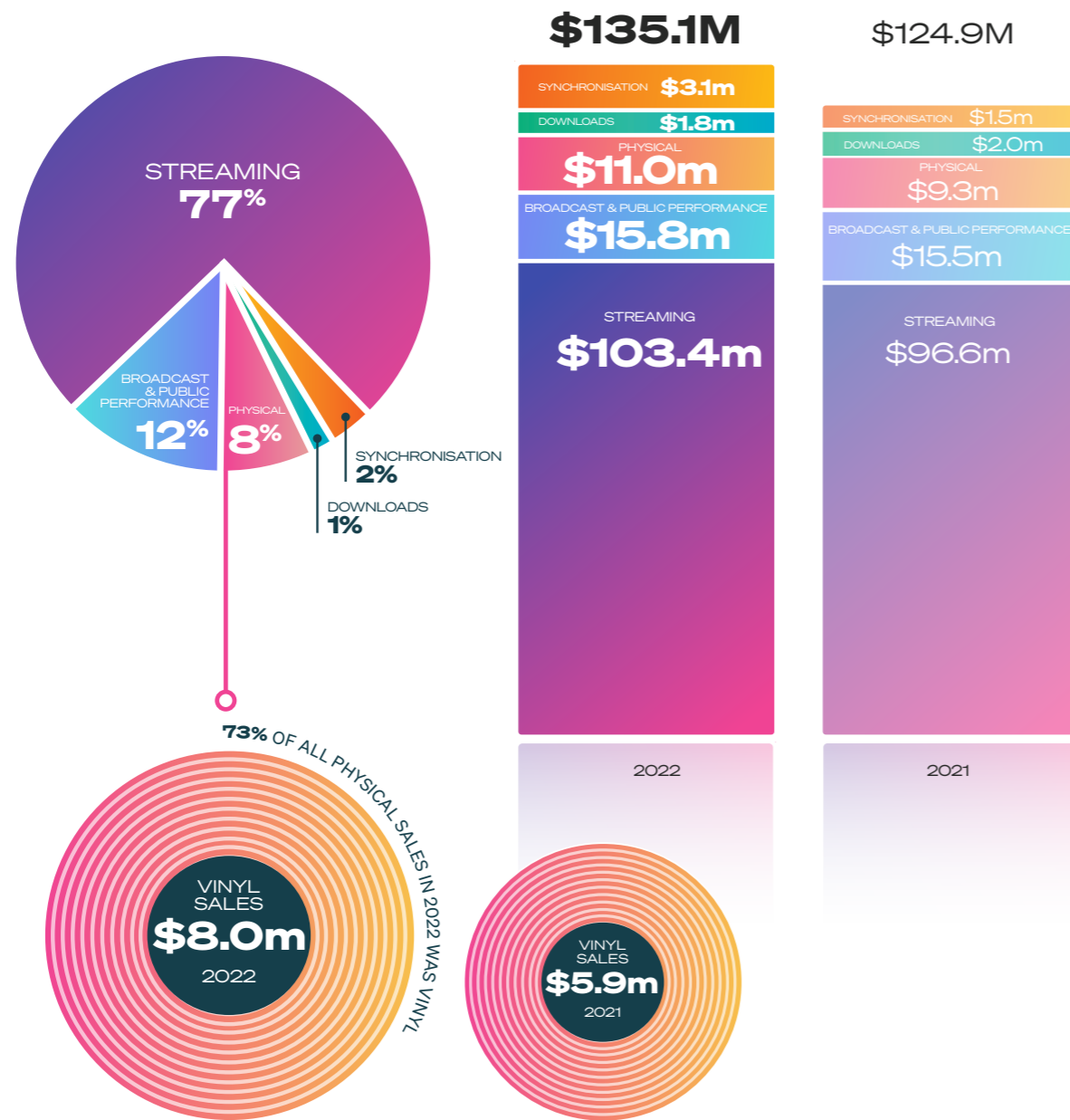
Over 75% of survey respondents felt it was important for the charts to be dynamic and regularly reflect new music, with stagnancy in the main charts being widely noted as a huge frustration. We heard that the slow-moving nature of the main chart and the very limited opportunities for emerging artists and new music from Aotearoa to feature has had the effect of disengaging many in the music community from the charts.

We also heard that there is support for us maintaining several different types of charts to achieve different outcomes and comparisons.

We have listened to this feedback and 2023 will see changes to the charts to seek to address these issues.



WHOLESALE REVENUES FROM RECORDED MUSIC SOURCES



The revenue collected by Recorded Music NZ for broadcast and public performance represents a slice of the whole market for recorded music in Aotearoa. As part of our wider role as a data authority for the music industry, Recorded Music NZ collects and reports wholesale revenues from recorded music from all sources.

2022 saw the broad market trends of recent years continue, with some interesting results for growth in vinyl sales:

- Streaming continued to grow with revenues increasing to **\$103.4 million** in 2022 from \$96.6 million in 2021. This category includes income from subscription and ad-supported streaming services, such as Spotify and YouTube Music, and income from other types of streaming including Facebook and TikTok.
- Downloads continued their decline, with revenues decreasing to **\$1.8 million** in 2022
- Physical sales increased by \$1.7 million to **\$11 million** in 2022, driven by a notable increase in vinyl sales which came in at **\$8 million** in 2022 from \$5.9 million in 2021. This was offset slightly by a small decline in compact disc sales.
- Synchronisation revenue doubled to **\$3.1 million** in 2022, from a low base in 2021.

Recorded Music provides data reporting services and commentary to multiple government bodies and industry organisations including NZ On Air, Te Māngai Pāho, NZ Music Commission, RBA and Independent Music NZ. Recorded Music's data analysis is used by NZ On Air in its monitoring role under the Voluntary Code requiring radio stations to play at least 20% New Zealand music. In 2022 music from Aotearoa performed well on radio and steadily across all platforms and the music industry continued its important work in promoting Waiata Reo Māori.



LOCAL CONTENT ON RADIO



WAIATA REO MĀORI ON RADIO



LOCAL CONTENT - PHYSICAL ALBUM SALES



LOCAL CONTENT - MUSIC STREAMING CONSUMPTION



Waiata Anthems celebrates the best new waiata and honours the champions of te reo Māori who paved the way for future generations, supporting the emergence of a truly bilingual musical landscape.

In 2022, fifty years after the Māori Language Petition was presented to Parliament, Waiata Anthems Week returned to honour the pioneers who lit the spark to revitalise te reo Māori, with over 20 new waiata released on September 2nd, along with a wero to Aotearoa to take part in becoming champions of te reo via waiata throughout Mahuru Māori.

The Waiata Anthems documentary series also returned for 2022 featuring Lorde, Tim Finn, Kora, and Barnaby Weir, as well as new voices in the pop music world, Mikey Dam and Paige.

Waiata Anthems is an industry-wide initiative and Recorded Music has been a part of the Waiata Anthems collective since its inception, with the movement having supported the production and release of 100 new waiata. It has been instrumental in the massive ground swell of streaming and broadcast of waiata reo Māori. In 2021 Recorded Music NZ also launched Ngā Waiata Kairangi | Te Reo Māori: The Te Reo Māori Music Top10. The chart features the 10 biggest tracks in Te Reo Māori by sales, streams, and airplay, with at least 70% te reo Māori vocals.

2022 was a record-breaking year for New Zealand albums reaching #1, and there are more chart accolades for local mega-groups **Six60** and **L.A.B.**

The biggest splash on the Top40 Albums and Singles in 2022 came courtesy of two of the UK's finest.

'Cold Heart', **Sir Elton John's** collaboration with **Dua Lipa** and Australian dance producers **PNAU**, initially charted in late 2021 but went on to dominate throughout 2022, spending nine weeks at #1 and being streamed by Kiwis more than 16 million times to date.

Harry Styles took top honours on the album front. Released in May, 'Harry's House' debuted at #1 and has barely shown sign of slowing since, spending seven weeks at #1 and 30 unbroken weeks in the Top10.

Among the locals, **Six60** take top album honours again, as they have done in previous years, holding the top three positions on the Official Top20 NZ Albums list. At #1 is the 10th Anniversary reissue of the band's debut record which was remixed, remastered and issued on vinyl for the first time in 2022. Six60 also had the biggest waiata reo of the year with 'Pepeha'.

Ka Hao featuring **Rob Ruha's** '35' also enjoyed massive success featuring in the end-of-year Aotearoa Singles and Te Reo Singles charts. **L.A.B.** meanwhile set new precedents, securing the top five songs on the End-of-Year rundown, headed by the now nine-times platinum mega-hit 'In The Air'.

A record-breaking run of eight #1 albums by New Zealand artists began in January with **L.A.B.** and continued right through the year thanks to **Don McGlashan, Aldous Harding, Tami Neilson, Marlon Williams, The Beths, Avantdale Bowling Club** and finally **Six60**.

TE REO SINGLES			
1		SIX60 PEPEHA MASSIVE / UNIVERSAL	2
2		KA HAO FEATURING ROB RUHA 35 INDIGNATION / DRM	1
3		URU WHETU FEAT. TORERE & TE AROHA TAKU RAUMIRI CINCO CINE / DRM	
4		SONS OF ZION FEAT. JACKSON OWENS HE AROHA HINEMOA SONY / SONY	
5		VARIOUS KA MĀNU MAORI MUSIC / DRM	
			6
		ROB RUHA TAERA INDIGNATION / UNIVERSAL	
			7
		MAIMOA WAIRUA MAIMOA MUSIC / DRM	
			8
		STAN WALKER MATEMATEĀONE SONY / SONY	
			9
		TE MATATINI & NGĀ TŪMANAKO WAEREA TE MATATINI / DRM	
			10
		TE MATATINI AND TE PIKIKŌTUKU O NGĀTI RONGOMAI FEAT. WHENUA PATUWAI TE ATA MĀHINA TE MATATINI / DRM	

ALBUMS			
1		HARRY STYLES HARRY'S HOUSE COLUMBIA / SONY	2
2		TAYLOR SWIFT MIDNIGHTS TAYLOR SWIFT / UNIVERSAL	1
3		THE WEEKND THE HIGHLIGHTS REPUBLIC / UNIVERSAL	3
4		OLIVIA RODRIGO SOUR Geffen / UNIVERSAL	3
5		DOJA CAT PLANET HER Kemosabe / SONY	2
6		ED SHEERAN EQUALS ASYLUM / WARNER	2
7		SIX60 SIX60 (1) 10TH ANNIVERSARY MASSIVE / UNIVERSAL	11
8		SIX60 SIX60 (3) MASSIVE / UNIVERSAL	6
9		FLEETWOOD MAC RUMOURS WEA / WARNER	13
10		POP SMOKE SHOOT FOR THE STARS, AIM FOR THE MOON VICTORVICTOR / UNIVERSAL	4

AOTEAROA ALBUMS			
1		SIX60 SIX60 (1) 10TH ANNIVERSARY MASSIVE / UNIVERSAL	11
2		SIX60 SIX60 (3) MASSIVE / UNIVERSAL	6
3		SIX60 SIX60 EP MASSIVE / UNIVERSAL	6
4		L.A.B. L.A.B. V LOOP / BORDER	1
5		SIX60 SIX60 (2) MASSIVE / UNIVERSAL	8
6		L.A.B. L.A.B. IV LOOP / BORDER	2
7		L.A.B. L.A.B. III LOOP / BORDER	4
8		L.A.B. L.A.B. LOOP / BORDER	3
9		SIX60 CASTLE ST MASSIVE / UNIVERSAL	1
10		DRAX PROJECT DRAX PROJECT DRAX PROJECT / UNIVERSAL	2

SINGLES			
1		ELTON JOHN & DUA LIPA COLD HEART (PNAU REMIX) EMI / UNIVERSAL	5
2		HARRY STYLES AS IT WAS COLUMBIA / SONY	2
3		GLASS ANIMALS HEAT WAVES POLYDOR / UNIVERSAL	6
4		LUUDE FEATURING COLIN HAY DOWN UNDER SWEAT IT OUT / ADA / WARNER	2
5		CAT BURNS GO (GODDARD REMIX) SINCE 93 / SONY	2
6		L.A.B. IN THE AIR LOOP / BORDER	9
7		ED SHEERAN SHIVERS ASYLUM / WARNER	3
8		JACK HARLOW FIRST CLASS. ATLANTIC / WARNER	2
9		ED SHEERAN BAD HABITS ASYLUM / WARNER	4
10		THE KID LAROI & JUSTIN BIEBER STAY COLUMBIA / SONY / UNIVERSAL	4

AOTEAROA SINGLES			
1		L.A.B. IN THE AIR LOOP / BORDER	9
2		L.A.B. MR REGGAE LOOP / BORDER	2
3		L.A.B. CONTROLLER LOOP / BORDER	7
4		L.A.B. UNDER THE SUN LOOP / BORDER	1
5		L.A.B. WHY OH WHY LOOP / BORDER	4
6		COTERIE COOL IT DOWN MASSIVE / UNIVERSAL	1
7		SIX60 DON'T FORGET YOUR ROOTS MASSIVE / UNIVERSAL	8
8		KA HAO FEATURING ROB RUHA 35 INDIGNATION / DRM	1
9		SIX60 SOMEONE TO BE AROUND MASSIVE / UNIVERSAL	1
10		LEE MVTTHEWS FEATURING NŪ TAKEOVER LEE MVTTHEWS / DRM	2

In 2022, against the backdrop of the pandemic, audience shifts and social change, we paused our traditional awards show, while undertaking a process of review and reflection about the awards and its purpose. The review provided some incredible insights which we are using to shape the awards for 2023/2024.


Our celebration in November 2022 was not the familiar televised awards ceremony but it was an intimate celebration focussed on finalists, friends and whānau. The evening began with the awards presentation with approximately 200 in attendance – mainly finalists and their friends and whānau plus key sponsor and music community figures, with more guests arriving as the night progressed.

There were some truly beautiful moments and it was a time to connect – and re-connect – with friends and

2022 WINNERS AND FINALISTS




Recorded Music NZ Te Pukaemi o te Tau
Album of The Year
L.A.B - L.A.B V
Aldous Harding - Warm Chris
Lorde - Solar Power
Reb Fountain - IRIS
Rob Ruha - Preservation of Scenery
Tami Neilson - Kingmaker



Te Waiata Tōtahi o te Tau
Single of the Year
L.A.B - MR REGGAE
Ka Hao - 35
Marlon Williams - My Boy
Reb Fountain - Lacuna
Rob Ruha - That's Where I'll Be
The Beths - Silence is Golden



Te Roopu Toa
Best Group
L.A.B - L.A.B V
Alien Weaponry - Tangaroa
Fat Freddy's Drop - WAIRUNGA
Ka Hao - Ka Hao: One Tira, One Voice




Te Kaipuoro Takitahi Toa
Best Solo Artist
TAMI NEILSON - KINGMAKER
Lorde - Solar Power
Reb Fountain - IRIS
Rob Ruha - Preservation of Scenery




Te Kaituhura Puoro Toa o te Tau
Breakthrough Artist of the Year
GEORGIA LINES - HUMAN
COTERIE - Cool It Down
Jordan Rakei - What We Call Life
There's a Tuesday - Boy Scout



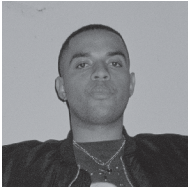
Te Kaipuoro Rakapioi Toa
Best Rock Artist
ALIEN WEAPONRY - TANGAROA
Shihad - Old Gods
Sit Down In Front - Fuelling My Rage




Te Kaipuoro Hipihope Toa
Best Hip Hop Artist
DIGGY DUPÉ, CHOICEVAUGHAN AND P. SMITH - THE PANTHERS OST
CHAI - Pineapple Pizza
Christoph El Truento and Lucky Lance - The 25th January Tape



Te Kaipuoro Taketake Toa
Best Roots Artist
L.A.B - L.A.B V
Ka Hao - Ka Hao: One Tira, One Voice
The Black Seeds - Love & Fire




Te Kaipuoro Tāhiko Toa
Best Electronic Artist
LEAPING TIGER - SOULSLEEP
Julien Dyne - MODES
TALI - Future Dwellers



Te Māngai Paho Te Kaipuoro Māori Toa
Best Māori Artist
KA HAO - KA HAO: ONE TIRA, ONE VOICE
Rob Ruha - Preservation of Scenery
Stan Walker - Te Arohanui

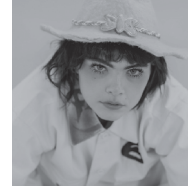


Te Māngai Paho Mana Reo
KA HAO - 35
Rob Ruha - Preservation of Scenery
Troy Kingi - Pu Whenua Hautapu, Eka Mumura



Te Kaipuoro Inamata Toa
Best Classical Artist
ROBERT ASHWORTH & SARAH WATKINS - MOONSTONE
Bridget Douglas and Al Fraser - Silver Stone Wood Bone
NZTrio - Merge

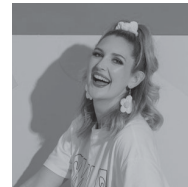
2022 Winners and finalists continued




Te Kaipuoro Arotini Toa
Best Pop Artist
BENEE - LYCHEE
Georgia Lines - Human
Lorde - Solar Power




Te Kōwhiri o te Nuinga
People's Choice
KA HAO



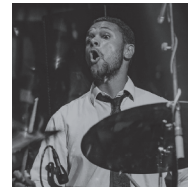
Te Kaipuoro Waiata Tamariki Toa
Best Children's Music Artist
MUSIC WITH MICHAL - SUMMER DAYS
Itty Bitty Beats - Itty Bitty Bubbles,
Levity Beet - Levity Beet's Bamboo Banger Collection




Te Kaipuoro Taketake Toa
Best Folk Artist
TROY KINGI - BLACK SEA GOLDEN LADDER
Miles Calder - Autopilot Life
We Mavericks - Grief's a Gardener



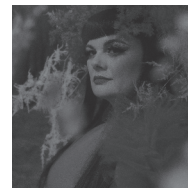
Te Pukaemi Toa o Te Moana Nui a Kiwa
Best Pacific Music Album
TOMORROW PEOPLE - 21
Diggy Dupé, choicevaughan & P. Smith - The Panthers OST
Kings - Rapiist



Te Kaipuoro Tautito Toa
Best Jazz Artist
MYELE MANZANZA - CRISIS & OPPORTUNITY VOL.1
Devil's Gate Outfit
- Jazz From The Underground Nightclubs Of Aotearoa Vol. 5
Jake Baxendale & Jasmine Lovell-Smith - Sanctuary




Te Toi Ataata Pukaemi Toa
Best Album Artwork
CHELSEA JADE METCALF (CHELSEA JADE- SOFT SPOT)
Barny Bewick & Lewis De Jong (Alien Weaponry- Tangaroa)
Maria Francesca Melis (Tami Neilson - Kingmaker)




Massey University Te Kaiwhakaputa Toa
Best Producer
TAMI NEILSON (TAMI NEILSON - KINGMAKER)
CHAI, Frank Keys, Rory Noble (CHAI - Pineapple Pizza)
Diggy Dupé, choicevaughan, P. Smith
(Diggy Dupe, choicevaughan & P. Smith - The Panthers OST)



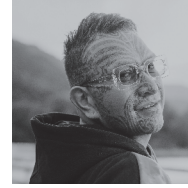
Te Kaipuoro Tuawhenua Toa
Best Country Artist
TAMI NEILSON - KINGMAKER
Jenny Mitchell - Tug Of War
Kaylee Bell - Silver Linings




Te Toa Hoko Teitei
Highest Selling Artist
SIX60
L.A.B
Lorde
Stan Walker
Fat Freddy's Drop



NZ On Air Te Rikoata Marakerake o te Tau
Radio Airplay Record of the Year
SIX60 - SOMEONE TO BE AROUND
L.A.B - Mr Reggae
COTERIE - Cool It Down
Ka Hao feat. Rob Ruha - 35
Six60 - Pepeha




Te Kaipuoro Awe Toa
Best Soul / R&B Artist
ROB RUHA - PRESERVATION OF SCENERY
Jackson Owens - For The Better EP
Jordan Rakei - What We Call Life




Te Kaipuoro Manohi Toa
Best Alternative Artist
VERA ELLEN - IT'S YOUR BIRTHDAY
Ben Woods - Dispeller
Te Kaahu - Te Kaahu O Rangī

ARTISAN AWARDS



Te Kaipukaha Toa
Best Engineer
SIMON GOODING (TAMI NEILSON - KINGMAKER)
Dr Lee Prebble & Ara Adams-Tamatea (L.A.B - L.A.B V)
Simon Gooding (Reb Fountain - IRIS)



NZ On Air Te Kiko Puoro Ataata Toa
Best Music Video Content
JOEL KEFALI AND ELLA YELICH-O'CONNOR (LORDE - SECRETS FROM A GIRL (WHO'S SEEN IT ALL))
Alyx Duncan (Tami Neilson - Kingmaker)
Nicole Horan, Marara Katipa, Dahnu Graham, Hayden Aull, Thomas Rose, Huhana Ruri-Panapa, Xavier Horan (Troy Kingi - Black Sea Golden Ladder: The Visual Album)

IN MEMORIAM

DECEMBER 7 2021 - NOVEMBER 10 2022

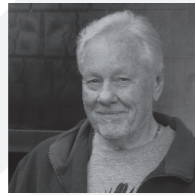
The music awards gives us an opportunity to reflect and pay respect to those from the music community we lost over the period. Recorded Music NZ acknowledges these individuals, many of whom have made their mark beyond the shores of Aotearoa.

Their passing leaves us sadder, but their living made us stronger.

MATE ATU HE TETEKURA, ARA MAI HE TETEKURA.



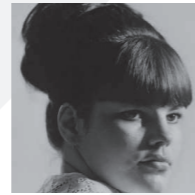
ANDREW
CLOUSTON



BILLY
BELTON



BILLY
FARNELL



CATHY
HOWE



DANNY
RYAN



DOUG
CALDWELL



GORDON
SPITTLE



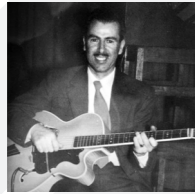
HUTA
THOMAS



JAMES
INGLE



JAY MONDS
(JAY BULLETPROOF)



JIM
CARTER



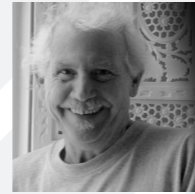
JIM
LANGABEER



JOE
WYLIE



JOHN HORE
GRENNELL



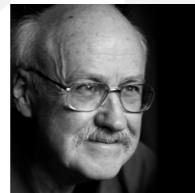
JONATHAN
BESSER



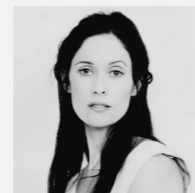
KEVIN
HOTU



LAZRUS (GENE)
SIMONS



LYELL
CRESSWELL



MARGARET
URLICH



MARTHA
LOUISE



MIKE
CORLESS



MIKE
KNAPP



MURDOCH
RILEY



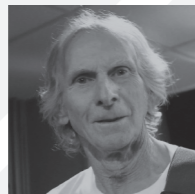
MURIWAI
IHAKARA



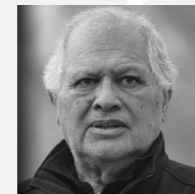
OLAF
KEIL



RAY
GOODWIN



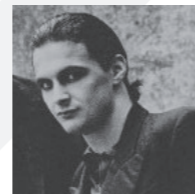
RED
MCKELVIE



TĀ HARAWIRA
TIRI GARDINER



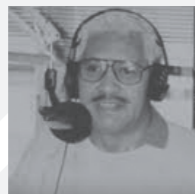
WALTER
MULLER



WILL
PENDERGRAST
(BILLY PLANET)



WILLIAM
WETERĒ



WINSTON POU
(POSIE) TE TANA



NEILL
DUNCAN



RECORDED MUSIC NEW ZEALAND LIMITED
FINANCIAL STATEMENTS 2022

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 35:

- comply with New Zealand generally accepted accounting practice and present fairly the financial position of the Company as at 31 December 2022 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 2022.



Chris Caddick, Chairperson
Dated 05.05.23



Adam Holt, Director
Dated 05.05.23

DIRECTORY

FOR THE YEAR ENDED 31 DECEMBER 2022

Year of Incorporation	1957
Company number	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	RSM Hayes Audit Auckland

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

in New Zealand dollars

	Note	2022	2021
		\$	\$
REVENUE			
Licence Fees	3	15,813,696	15,533,959
Other Income	3	138,818	583,472
TOTAL INCOME		15,952,514	16,117,431
EXPENSES			
Employee benefit expense		1,951,089	1,972,125
Legal and Consultancy		379,298	180,994
Rent and Occupancy		74,283	47,596
Promotional		86,756	101,803
Computer and Office expenses		239,672	212,615
Music Grants	4	117,578	78,385
Depreciation		149,161	158,345
Other expenses		477,258	816,481
TOTAL EXPENSES		(3,475,093)	(3,568,344)
FINANCE			
Finance income	5	124,734	73,703
Finance costs	5	(19,283)	(14,041)
		105,451	59,662
Less tax expense		(70,805)	(42,639)
PROFIT FOR YEAR		12,512,067	12,566,110
TRANSFER TO NET FUNDS AVAILABLE FOR DISTRIBUTION	2(C)	12,512,067	12,566,110
Other comprehensive income		-	-
COMPREHENSIVE INCOME FOR THE YEAR		-	-

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

in New Zealand dollars

	Note	2022	2021
		\$	\$
ASSETS			
Cash and cash equivalents		1,497,339	1,032,611
Trade and other receivables	9	2,497,623	3,337,104
Short term deposits	8	10,360,548	10,335,929
Right of use asset	10	95,631	199,908
Property, plant and equipment	11	79,606	108,209
TOTAL ASSETS		14,530,747	15,013,761
LIABILITIES			
Trade payables and accruals	12	835,384	1,090,000
Lease liability	10	97,461	199,908
Funds held available for distribution	6	12,997,902	12,923,853
EQUITY			
Contingency reserve retained for provisions		600,000	800,000
TOTAL LIABILITIES AND EQUITY		14,530,747	15,013,761

STATEMENT OF MOVEMENTS IN EQUITY

AS AT 31 DECEMBER 2022

in New Zealand dollars

	Note	Retained earnings	Contingency reserve	Total equity
			\$	\$
Balance at 31 December 2021		-	800,000	800,000
Other comprehensive income for the year		-	-	-
Release of reserve to funds for distribution		-	200,000	200,000
Balance at 31 December 2022	2(K)	-	600,000	600,000

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 2022

	2022	2021
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts of licence fees	16,673,290	14,388,781
Other receipts	138,818	583,472
Distributions to right holders and recording artists	(12,638,016)	(11,045,012)
Paid to suppliers and employees	(3,671,531)	(3,264,450)
Interest paid on leases	(19,221)	(14,401)
Net cash from operating activities	483,340	648,390
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	124,734	73,703
Acquisition of property, plant and equipment	(16,281)	(59,410)
Movement in short term deposits	(24,619)	(294,703)
Net cash from investing activities	83,835	(280,410)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal elements of lease payments	(102,447)	(107,689)
Net cash from financing activities	(102,447)	(107,689)
NET (DECREASE)/INCREASE	463,727	260,291
Opening cash and cash equivalents 1 January	1,032,611	772,320
Closing cash and cash equivalents	1,497,339	1,032,611
Made up of:		
Bank balances	1,497,339	1,032,611
TOTAL CASH AND CASH EQUIVALENTS	1,497,339	1,032,611

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 2022 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 or other comprehensive income. This is because all income, net of expenses, is distributed to the appropriate right holders and recording artists.

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

C. Foreign currency translation

(i) Function and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates, which is New Zealand Dollars ("the functional currency")

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

D. 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.

E. Impairment of financial assets

The impairment of investments in financial assets are based on assumptions about future results. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation. In the year ended 31 December 2022, there has been no impairment of investments. (2021 nil.)

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. Revenue is measured at the fair value of the consideration received or receivable for the sale of services, excluding goods and services tax, rebates and discounts. The main types of revenue are licence fees from radio and TV, public performance and music service providers.

B. Taxes

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.

i) Goods and Services Tax (GST)

The statement of profit or loss has been prepared so that all components are stated exclusive of GST. All items in the statement of financial position are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

C. Distributions to right holders and recording artists

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 right holders and recording artists. An expense is recognised in full in the period that the income is received as the Company has an obligation to its right holders and recording artists to distribute these funds. This obligation is shown on the statement of financial position as funds available for distribution.

D. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

E. Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Collection is expected within one year so they are classified as current assets. The Company applies the NZ IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowances for all trade receivables.

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. Leases

Assets and Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments included in the lease agreement), less any less incentives receivable. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right of use assets are measured at cost comprising the following:

The amount of initial measurement of lease liability, any lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs.

H. Property, Plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. Depreciation is calculated using the diminishing value method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements of leased buildings, straight line across the contract. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

* Buildings	10%
* Furniture and Fittings	8% - 16%
* Office Equipment	10% - 50%
* Plant and Equipment	12% - 30%

I. Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

J. 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.

K. Contingency Reserve

Generally, all net revenue is fully distributed against the Financial Year to which it relates. The only current exception is in relation to a contingency reserve which is to provide cover for any one off, unforeseen or extraordinary events. This includes such items such as Copyright Tribunal proceedings or otherwise as the Board of Directors may determine. The contingency reserve is reviewed annually by the Board.

L. Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave, and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in trade and other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

M. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

N. Financial instruments

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(iv) Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There Company classifies its debt instruments as amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

(v) Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by NZ IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

3. REVENUE

Revenue is disaggregated in the following categories:

	2022	2021
	\$	\$
Licence fees from:		
Radio	7,066,360	6,922,589
Television	2,516,016	2,501,467
Subscription Video on Demand (SVOD)	231,119	184,686
Public Performance	4,996,310	5,032,064
Reproduction	842,574	750,643
Overseas and Reciprocals	161,317	142,510
	<u>15,813,696</u>	<u>15,533,959</u>
Other revenue from:		
Data income	47,500	50,625
AMA event income	91,318	532,847
	<u>138,818</u>	<u>583,472</u>
Total Revenue	<u>15,952,514</u>	<u>16,117,431</u>

4. MUSIC GRANTS

The Music Grants expense is a proportion of distributable income from the preceding year – allocated in a contestable funding process to projects that are educational, charitable or archival and will benefit a large number of people in the recorded music industry or community.

5. FINANCE COSTS - NET

	2022	2021
	\$	\$
Finance income		
Interest income on cash and cash equivalents	51,503	1,425
Interest income on short term investments	73,231	72,703
Total finance income	<u>124,734</u>	<u>73,703</u>
Finance expenses		
Interest expense on lease liabilities	19,283	14,041
Total finance expenses	<u>19,283</u>	<u>14,041</u>
Net finance costs	<u>105,451</u>	<u>59,662</u>

6. MOVEMENTS IN FUNDS FOR DISTRIBUTION

The Company pays a distribution to its registered right holders and recording artists each year, consisting of the prior year earnings, less any deductions for expenses plus or minus movement in contingency reserve.

	2022	2021
	\$	\$
Funds at the beginning of the year	12,923,855	11,402,754
Funds distributed to right holders and recording artists during the year	(12,638,020)	(11,245,009)
Transfer from contingency reserve	200,000	200,000
Funds received (net of expenses) available for distribution next year	12,512,067	12,566,110
Funds at the end of the year	<u>12,997,902</u>	<u>12,923,855</u>

7. RELATED PARTIES

Funds distributed to shareholders that are represented on the Board have been regarded as related party transactions. Distributions to those shareholders and related entities are based on the published distribution policy and calculated and paid on the same basis as for all other rights holders. Board members are not involved in the calculation or payment of distributions. Funds distributed to related parties in 2022 are \$9,383,060 (\$8,383,582 in 2021). Related parties will be entitled to a share of distributable funds held in the statement of financial position when the next distributions are made in 2023.

For the year ended 31 December 2022, total compensation for key management personnel amounted to \$847,278 (2021: \$983,289). The key management personnel include directors of the Company and the executives with the greatest authority for the strategic direction and management of the Company.

8. FINANCIAL INSTRUMENTS BY CATEGORY

	2022	2021
	\$	\$
Financial assets		
<i>Measured at amortised cost</i>		
Cash and cash equivalents	1,497,339	1,032,611
Trade and other receivables	2,434,590	3,294,183
Short term deposits	10,360,548	10,335,929
	<u>14,292,467</u>	<u>14,662,723</u>
Financial liabilities		
<i>Measured at amortised cost</i>		
Trade and other payables	243,478	385,716
Lease liability	97,461	199,908
Funds held available for distribution	12,997,902	12,923,853
	<u>13,338,841</u>	<u>13,509,477</u>

9. TRADE AND OTHER RECEIVABLES

	2022	2021
	\$	\$
Trade receivables	2,455,720	3,315,313
Loss allowance	(21,130)	(21,130)
	<u>2,434,590</u>	<u>3,294,183</u>
Prepayments	57,407	42,921
Related party receivables	-	-
GST receivables	-	-
Other tax receivables	5,626	-
	<u>2,497,623</u>	<u>3,337,104</u>
Movements on the provision for credit losses are as follows:		
At 1 January	(21,130)	(21,130)
(Reversal of) / provision for credit losses recognised during the year	-	-
At 31 December	<u>(21,130)</u>	<u>(21,130)</u>

10. LEASES	2022 \$	2021 \$
(i) Amounts recognised in the balance sheet		
The balance sheet shows the following amounts relating to leases:		
Right of use assets		
Buildings	95,631	199,908
Lease Liabilities		
Current	72,638	-
Non-Current	24,823	199,908
There were no additions to the right of use assets during the 2022 financial year. (2021 - nil)		
(ii) Amounts recognised in the statement of profit or loss		
The statement of profit or loss shows the following amounts relating to leases:		
Depreciation charge of right-of-use assets		
Buildings	104,277	109,088
Interest expense (included in finance cost)	19,283	14,041
The total cash outflow for leases in 2022 was \$18,259 (2021 \$17,238)		

11. PROPERTY, PLANT AND EQUIPMENT

The breakdown for Property, Plant and Equipment is made up of the following assets:

	BUILDINGS	FURNITURE & FITTINGS	OFFICE EQUIPMENT	PLANT & EQUIPMENT	TOTAL
At 31 December 2020	\$	\$	\$	\$	\$
Cost	26,108	160,121	211,492	15,478	413,199
Accumulated depreciation	10,270	132,462	179,939	11,756	334,427
Net book value	15,838	27,659	31,553	2,005	77,055
At 31 December 2021					
Cost	26,108	160,124	239,824	13,761	439,817
Accumulated depreciation	11,854	133,797	173,434	12,523	331,608
Net book value	14,254	26,327	66,390	1,238	108,209
Year ended 31 December 2022					
Opening net book value	14,254	26,327	66,390	1,238	108,209
Additions	-	771	15,509	-	16,281
Disposals	-	-	3,026	-	3,026
Depreciation	1,425	3,816	36,244	371	41,857
Closing net book value	12,829	23,283	42,629	867	79,607
At 31 December 2022					
Cost	26,108	142,231	232,638	12,896	413,873
Accumulated depreciation	13,279	118,949	190,008	12,029	334,266
Net book value	12,829	23,283	42,629	867	79,607

12. TRADE AND OTHER PAYABLES	2022 \$	2021 \$
Trade payables	57,084	229,642
Employee entitlements	275,000	341,348
GST payable	316,907	362,935
Accrued expenses	186,393	156,074
	<u>835,384</u>	<u>1,090,000</u>

13. COMMITMENTS AND CONTINGENCIES

There are no capital commitments at balance date (2021: nil).
There are no contingent liabilities (2021: nil).

14. SUBSEQUENT EVENTS

There have been no subsequent events which impact on the financial statements (2021: nil).

Independent Auditor's Report

To the Shareholders of Recorded Music New Zealand Limited

RSM Hayes Audit

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Opinion

We have audited the financial statements of Recorded Music New Zealand Limited, which comprise:

- the statement of financial position as at 31 December 2022;
- the statement of comprehensive income for the year then ended;
- the statement of movements in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, including a summary significant accounting policies.

In our opinion, the accompanying financial statements on pages 26 to 35 present fairly, in all material respects, the financial position of Recorded Music New Zealand Limited as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of Recorded Music New Zealand Limited 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 we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, Recorded Music New Zealand Limited.

Other information

The directors are responsible for the other information. The other information comprises the annual report pages 1 to 25 (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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 to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

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RSM Hayes Audit is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

Responsibilities of the directors for the financial statements

The directors are responsible, on behalf of Recorded Music New Zealand Limited, for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, and for such internal control as those charged with governance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible, on behalf of Recorded Music New Zealand Limited, for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are 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 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 and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at:

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

Who we report to

This report is made solely to the shareholders, as a body. Our audit has been undertaken so that we might state to the shareholders those matters we are required to state to them in an 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 Recorded Music New Zealand Limited and the directors as a body, for our work, for this report, or for the opinions we have formed.

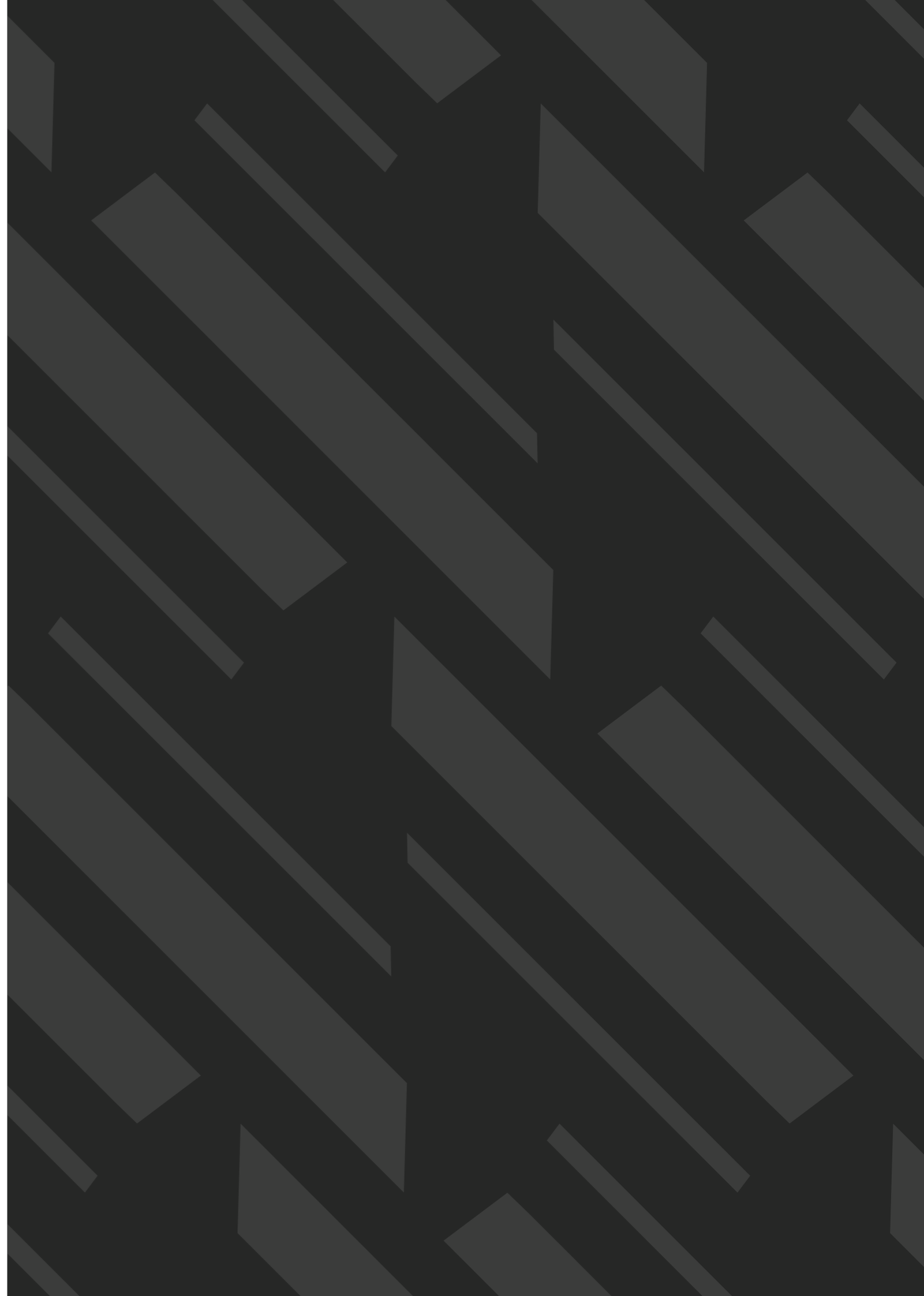


RSM Hayes Audit
Auckland

5 May 2023



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